

n Goodman

# Herald Tribune



INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Thursday, March 12, 1998

No. 35,777

On-line Wars Page 10

## Pilots Face Discipline In Italy Ski-Lift Deaths

**U.S. Military Inquiry to Urge Punishment, Possibly a First Hearing for Court-Martial**

By Bradley Graham  
Washington Post Service

**WASHINGTON** — Military investigators have blamed the four-man crew of a U.S. Marine jet for flying the aircraft too low and too fast when it severed a cable-car wire and sent 20 people plummeting to their deaths in Italy last month, defense officials said Wednesday.

In a report due for release Thursday, the investigators recommended punitive action against the crew members of the EA-6B Prowler surveillance jet.

That could include an Article 32 hearing, which would be a preliminary hearing in the event of a court-martial, The Associated Press reported.

The results were to be announced Thursday at the U.S. air base in Aviano, Italy, by Major General Michael DeLong, president of the accident investigation board and deputy commander of the U.S. Marine Corps Forces Atlantic, based in Norfolk, Virginia.

The investigation found that "appropriate disciplinary and administrative action should be taken against all" of the Prowler's crew members, a senior Marine officer said in Washington.

Marine commanders had acknowledged earlier that the Prowler was flying below the approved altitude during a training mission that took it over the

Cavalese ski resort in the Dolomite Mountains. But until now, they had withheld judgment over whether pilot error or some mechanical malfunction were to blame.

Investigators found that the plane was flying at 300 to 400 feet (90 to 120 meters) above the ground, instead of the required 2,000 feet, and that it exceeded the speed limit of 450 knots by more than 50 knots.

The accident Feb. 3 touched off outrage across Italy because of repeated prior complaints about low-level training missions in the Dolomites. American and Italian military planes have used the area to practice surveillance and radar-jamming runs for Bosnia peacekeeping operations.

Italian authorities have demanded the American airmen be held accountable under Italy's criminal laws, and local prosecutors have brandished the prospect of multiple manslaughter charges. The Marine aviators have remained in Aviano, where the Prowler was temporarily based, pending completion of the investigation and resolution of the jurisdictional dispute.

While the decision on whether to surrender the Marines to Italian authorities rests with NATO's top military com-

See PILOTS, Page 6



Tokyo prosecutors walking Wednesday to the Bank of Japan, where they arrested an official who was charged with leaking sensitive data to banks.

## AGENDA

### Israeli Army Tries To Curb Violence

As three Palestinians killed by Israeli soldiers were buried, Israeli security forces struggled on Wednesday to prevent mounting unrest on the West Bank from spinning out of control.

During violent demonstrations in Hebron and Ramallah, a total of 26 Palestinians were wounded. Israeli Army authorities met with their Palestinian counterparts in an effort to contain the violence.

Yasser Arafat, the Palestinian leader, called the killings "a big crime."

The Hebron chapter of his Fatah organization called for "clashes with the gangs of settlers and occupation forces everywhere and with all means" on Thursday. The statement accused Prime Minister Benjamin Netanyahu of Israel of "blowing up" peace efforts. Page 7.

### Mussolini-Mobile Sold for \$107,000

GENEVA (AP) — A car that Benito Mussolini, the Italian dictator, gave to Claretta Petacci, his mistress, in 1940 was sold for 156,000 Swiss francs (\$107,000) at a Geneva auction Wednesday.

The Fiat 2800 luxury coupe was bought by a Swiss intermediary for an unidentified American collector, said the auctioneers, Brooks.

The Dollar	
New York	Wednesday @ 4 P.M. previous close
DM	1.8915 1.8292
Pound	1.6485 1.641
Yen	129.375 127.415
FF	6.141 6.1326
The Dow	
	Wednesday close previous close
+32.63	8675.75 8643.12
S & P 500	change Wednesday @ 4 P.M. previous close
+4.21	1068.46 1064.25

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Kenya K. Sh. 100 U.S. Mil. (Eur.) \$ 1.20  
Greece 700 Fils Zimbabwe Zim \$40.00

By Cindy Shiner  
Washington Post Service

**JAKARTA** — President Suharto began a seventh five-year term in office Wednesday with a somber call for national unity and collective belt-tightening.

As he spoke, thousands of students staged their biggest and most fiery anti-government protest since the economic crisis erupted eight months ago.

"Today, we are going through extremely difficult tests and trials," Mr. Suharto said in his inaugural speech. "We are being subjected to very hard economic and financial turmoils. We will never enjoy again an economic growth such as we have experienced for more than the past quarter-century."

As Indonesia struggles with the worst economic and political crisis since Mr. Suharto came to power 32 years ago, the People's Consultative Assembly, the na-

tion's most powerful policy-making body, elected Research and Technology Minister B. J. Habibie as vice president.

Mr. Habibie, a workaholic and surrogate son to Mr. Suharto, could become president if Mr. Suharto, who was ill in December, fails to complete his term or stand for election again in 2003.

The aeronautical engineer has economic views that have often clashed with those of the technocrats who guided Indonesia through three decades of steady growth. When his name first surfaced as a vice-presidential candidate this year, the rupiah plunged, with the dollar rising to a record high of 17,000 rupiah. On Wednesday, the dollar was at 10,550 rupiah.

University students, angry over the high prices that have resulted from the economic crisis that they blame on government mismanagement and corruption, have staged protests over the past two weeks. The demonstrations turned

violent Wednesday for the first time, shortly after Mr. Suharto was sworn in.

Up to 10,000 students demonstrated at Gadjah Mada University in Yogyakarta, on the main island of Java, and burned an effigy of Mr. Suharto, while thousands of others protested in the eastern town of Surabaya, on the outskirts of the capital, and in other cities.

The Yogyakarta protest was reportedly peaceful, but more than a dozen students were injured in a clash with troops in Surabaya.

Jakarta banned street protests during the weeks before and after the assembly meeting, which ended Wednesday.

Their scope of demands vary, but the students mainly call for price cuts and political reform, and they say they will continue demonstrating until their demands are met.

"We don't want the tension to drop

See SUHARTO, Page 6

## Japan Is Shaken By Arrest of Aide At Central Bank

**Governor May Quit After Charges That Official Leaked Market Data**

By Sheryl WuDunn  
New York Times Service

**TOKYO** — The governor of Japan's central bank suggested Wednesday that he would resign to take responsibility for the arrest just hours earlier of a subordinate accused of leaking sensitive market data to major Japanese banks.

The images on television screens of scores of prosecutors marching into the Bank of Japan to arrest the subordinate was a stunning confirmation to many Japanese of how widely corruption has spread throughout the government and financial system.

The arrest adds to the increasingly uncomfortable perception here of besieged regulators, who are no longer able to effectively administer the world's second-largest economy.

The Bank of Japan is regarded as one of the nation's cleanest institutions, so the arrest immediately raised questions about the possible impact on global confidence in Japan's financial system, which is already bruised by banking troubles.

Economists and bankers said the arrest was unlikely to have an immediate effect on macroeconomic policy or the stability of the financial system. The yen initially tumbled on news of the arrest, but later recovered.

The incident is particularly worrisome because the alleged leaks involved advance information on the central bank's open-market operations and data on the *tanzen* survey, one of the most closely watched reports issued by the bank on the state of the economy. Bankers also privately expressed concern that the arrest of the central bank official, Yasuaki Yoshizawa, 42, who runs the bank's capital-markets division, could lead to greater turmoil within the central bank, particularly if the central bank governor, Yasuo Matsushita, resigns.

Nikkei English News reported late

Wednesday that Mr. Matsushita said he would resign to take responsibility for the scandal, and hinted he might depart at the end of this month. Bloomberg News reported

[Mr. Matsushita] said he would step down after an in-house investigation is completed and before the revised Bank of Japan law takes effect April 1, the news

See JAPAN, Page 17



Yasuo Matsushita, the bank's governor, at a news conference on Wednesday.

## Clinton Tries To Reassure UN Leader

**But He Insists on Right To Launch Strike at Iraq**

By Brian Knowlton  
International Herald Tribune

**WASHINGTON** — President Bill Clinton offered assurances Wednesday to the United Nations secretary-general, Kofi Annan, that the United States would consult its Security Council partners before any military action against Iraq, but he again insisted that the United States reserved the right to launch a strike without their backing.

At the same time, Mr. Clinton defended the arms-inspection agreement Mr. Annan worked out with Iraq last month. At a brief photo opportunity, he praised Mr. Annan and said he deserved "a lot of appreciation."

"We believe that the resolution gives us the authority to take whatever actions are necessary, but of course we would consult," Mr. Clinton told reporters before a meeting with Mr. Annan. "It would be unthinkable that we wouldn't."

The president sought to rebut harsh criticism of the accord from some conservative legislators, saying, "The agreement in its own terms is clearly not a sellout."

Mr. Clinton and Mr. Annan carefully avoided a public disagreement about the consultation issue. The president repeated the U.S. insistence that UN resolutions passed at the time of the Gulf War give Washington all the authority it needs to decide on its own to strike Iraq.

He said he had consulted intensively with other foreign leaders as the crisis over Iraq evolved in recent months, and added, "I'm not sure there is a conflict between our positions."

Mr. Annan said he agreed with Mr. Clinton's analysis.

"Consultation," he said, "is an ongoing process, and part of the way we do business in the international community."

See UN, Page 6

## Heeding Death Threats, Red Cross Leaves Kosovo



Ethnic Albanians burying relatives killed in the Kosovo security sweep.

By Chris Hedges  
New York Times Service

**PREKAZ, Serbia** — The International Committee of the Red Cross withdrew its foreign staff from the troubled province of Kosovo on Wednesday because of death threats, severing the work of the agency in an area where scores of people have been killed in the last few days by Serbian security forces.

"We have called our foreign staff to Belgrade for consultations because yesterday and last night our expatriate staff received repeated anonymous death threats," said Gordana Lenkovic, a Red Cross official in Belgrade.

Police and paramilitary units in Serbia mounted two offensives against ethnic Albanian separatists in Kosovo on Feb. 28 after six Serbian policemen were killed. The sweeps have left at least 74 ethnic Albanians, including some dozen women and children, dead. Scores of people remain missing.

The Red Cross, which specializes in providing humanitarian assistance in

conflict zones, has been blocked, along with most outsiders, from the villages under siege by the police.

Officials said the death threats — some in English — were made in five anonymous phone calls to the offices of the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies in the provincial capital of Pristina. The messages said that foreigners working for the organization in Kosovo would be killed, officials said.

The six major powers that deal with the former Yugoslavia called on Belgrade on Monday to give the Red Cross full access to the region in central Kosovo now cordoned off by police and paramilitary units.

The Contact Group of overseers — comprising Britain, France, Italy, the United States, Germany and Russia — also reimposed modest sanctions on the rump Yugoslavia, composed of Serbia and Montenegro. It also told the

See KOSOVO, Page 6



DANES VOTE — Uffe Elleman-Jensen, leader of the opposition Liberal Party, voting Wednesday near Copenhagen. The initial results pointed to a government victory. Page 6.

**Camelot for Sale (Again)**

**After Jackie's, JFK's Items Are Up for Auction**

By N. R. Kleinfield  
New York Times Service

abilia looms as the latest gauge of the price of homage.

Rarely do so many personal artifacts of so mythologized a figure come up for sale in the throbbing memorabilia marketplace, where something as mundane as a toothbrush acquires ethereal dimensions and a multithousand-dollar price tag simply because of whose teeth it brushed.

Who, after all, can forget the buying frenzy of the Jacqueline Kennedy Onassis estate sale at Sotheby's two years ago, which propelled prices into an uncharted stratosphere?

"Do we hope that lightning strikes twice?" said Arlan Ettinger, the president of Guernsey's, which is conducting the Kennedy sale next week. "Sure we do. Are we realistic that things might not go as well? Sure we are. It's an auction."

Guernsey's, a small auction house that once sold the contents of the ocean

See JFK, Page 6

## In Seoul, Abuse Revs Up For Foreign-Car Owners

By Don Kirk  
International Herald Tribune

**SEOUL** — Koreans who get behind the wheel of a foreign car these days have to drive defensively, and it's not because of the traffic. It's because they have been beaten and choked and branded as traitors.

"Our customers are afraid of driving their new cars because people persecute and harass them," said Choi Byung Kwon, chairman of the Korea Automobile Importers and Distributors Association. "They accuse them of selling out the nation."

South Korea's foreign-car dealers organized a press conference Wednesday to appeal to Koreans to stop the verbal and physical attacks against owners of imported automobiles.

With thousands of companies collapsing, tens of thousands of people losing their jobs and prices rising since the country's financial crisis began last

fall, Koreans are expressing their resentment in a campaign against foreign products in which foreign-made cars are literally the most visible target.

Foreign-car owners have had insults, and occasionally eggs, hurled at them on the road, said the car dealers. Restaurants and nightclubs have been known to refuse parking spaces to foreign cars, gasoline stations occasionally refuse to serve them, and owners have found their autos

**The Ducasse Recipe/It Boils Down to Teamwork****A Multi-Kitchen Chef Settles Simmering French Debate**By Charles Trueheart  
*Washington Post Service*

**P**ARIS — When the chef Alain Ducasse won his sixth star the other day from the esteemed Michelin restaurant guide, in France and in the great kitchens of the world the event had the distinct aroma of history.

This was not because Mr. Ducasse is a great chef, which he is, or because his cooking is revolutionary, although it can be. It was because his recognition by France's acknowledged arbiter of cuisine redefined what it means to be a chef — and what it doesn't mean, necessarily.

By awarding the maximum three stars to each of Mr. Ducasse's two restaurants — Louis XV in Monte Carlo and Alain Ducasse near the tony Place Victor Hugo in Paris — Michelin settled the debate over whether a chef can really be a chef in two places at once.

Mr. Ducasse, by being energetic and almost constantly airborne, can.

Only in a country where cooking and eating are matters of philosophy could such a debate even take place. But it has rumbled here for some time. Michelin itself put the question on the table a year ago, in its previous annual edition, by awarding a third star to Mr. Ducasse's Paris restaurant but retracting one from the Monte Carlo place, as if前途uring Mr. Ducasse's ambition.

Mr. Ducasse is very much engaged in the debate, even discussing on his ideas in a front-page signed commentary in the austere *Le Monde*.

"Is gastronomy an art?" he asked. "Should the chef always be in the kitchen? Can pleasure come without high cost?" Should everyday cooking be sad?"

He is soon to collaborate with one of France's best-known writer-philosophers, Jean-François Revel, on a serious book about the philosophy of Alain Ducasse.

As Mr. Ducasse, 41, in horn-rimmed glasses and a classic double-breasted white cooking smock, sat sipping coffee in the elegant parlor of his Paris restaurant, he sounded passionate

about the point his latest success is making.

"It's important for the profession to recognize that there are teams" of cooks, not just single chefs. "You have done this in the United States," Mr. Ducasse said, citing his friend Wolfgang Puck, the California chef. No matter which Puck restaurant you're in, Mr. Ducasse said, "no problem, you've got Wolfgang Puck cooking. It's a touch, a signature."

As he sees it, being Alain Ducasse is like being Yves St. Laurent — and just as costly. Each has his distinctive "collections." And why does no one object when Yves St. Laurent doesn't fit and stitch your garment personally? Other analogies he offered: Chanel, Louis Vuitton, Mercedes-Benz.

Another chef and fellow shouter among kitchens is Roberto Donna of Galileo in Washington. "Good for him," Mr. Donna said of the six Michelin stars for Mr. Ducasse. "He must be a great leader. He must be a great king."

Looking around the impossibly sumptuous Alain Ducasse restaurant, a palace of lush fulfillment and discreet hovering by one staff member per customer, it is hard to see evidence that luxury has slipped from view.

Mr. Ducasse said the Michelin man's point didn't really apply to haute cuisine but still he noted that for the economy-minded, he was offering a lighter, five-course \$80 menu, not just the regular seven-course \$160 menu or the all-truffles \$240 menu. We speak here of lunch.

**M** R. DUCASSE said the food he and his team prepared was in a constant process of evolution, reinvention. Nothing stays on the menu long without amendment. The drift his cooking is taking? "Toward the Zen side of things. It's becoming more legible, more evident" — less murky, he said.

"People are here to get away from all those dark places," he said. "They don't need another intellectual problem" on the plate in front of them.

The chef echoes the conventional view that Paris has its

place as the white-hot center of everything, and some of its best chefs, to London and New York. He said he worried about the immediate future. "Cooking in 2005 won't be at all like today's," he said. "I hope there will be enough young French cooks to give modernity the cooking the period demands."

The shifting sands of standards at Michelin, the French tire company that launched the famous red guide to restaurants in 1900, are reflected in a growing emphasis on value in determining the laurels that a restaurant or hotel will receive.

Bernard Naegelen, chief of the redoubtable Michelin restaurant inspectors, a corps more anonymous than spies, was quoted in a rare interview in *Le Figaro* acknowledging that what passes for a revolution was going on.

"The euphoria for luxury dining is gone," Mr. Naegelen said. He said, "Customers are paying attention to the bill," adding something that, if true, is even more astonishing for France: "The customer has become king."

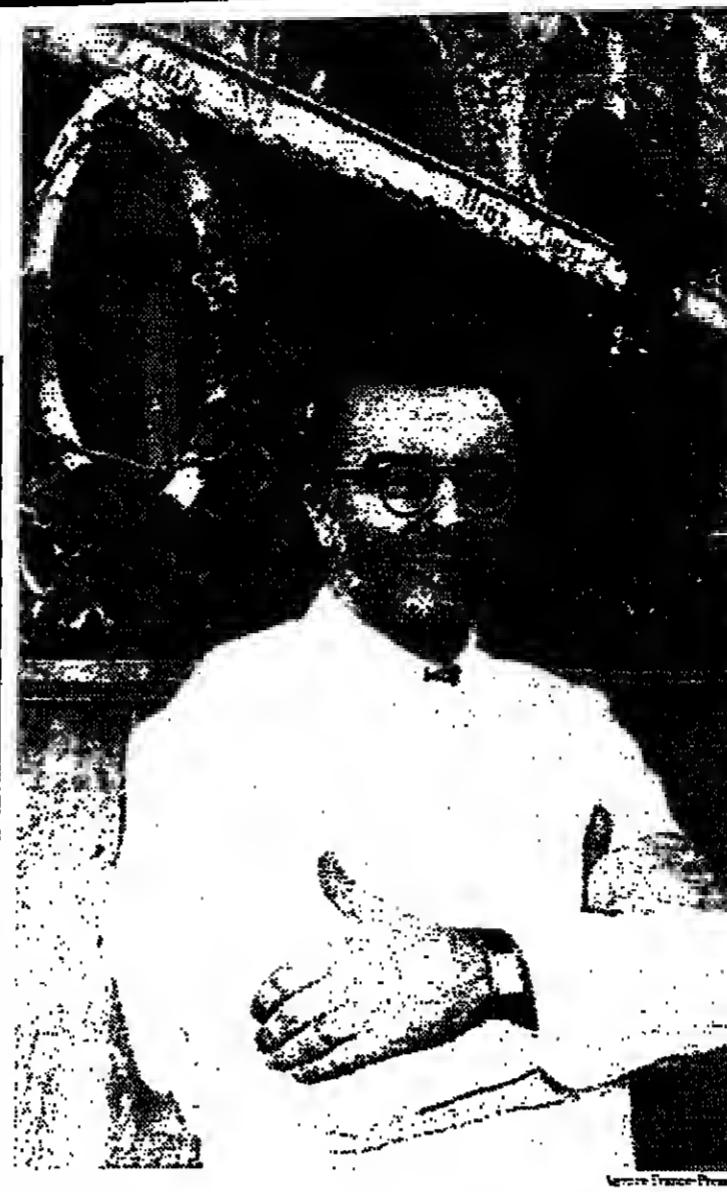
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Courtesy French Press

**The many-starred Alain Ducasse before his restaurant in Monte Carlo. As he sees it, being Alain Ducasse is like being Yves St. Laurent — and just as costly. Each has his distinctive 'collections.'**

As an intellectual problem, the Michelin decision is a slippery philosophical slope.

If two restaurants are permissible, then are three? Mr. Ducasse thinks so. He foresees a third Ducasse establishment, at the inn he owns in the hills above the Côte d'Azur, "within two years." Nine stars are within his grasp.

If three restaurants, then four? Six? Twelve? — like Mr. Donna? Where, really, is the wall that separates Alain Ducasse from Colonel Sanders?

Mr. Ducasse doesn't want to get into how many is too many.

He did say that the two Ducasse restaurants were completely different, just one way they differ from Kentucky Fried Chicken

restaurants. His is not a cookie-cutter operation.

Even so, Mr. Ducasse is interested in cookie-cutter operations. An innovator in French cooking, a believer that savoir-faire in the kitchen is one thing France still has to offer the world, Mr. Ducasse said he was financing research into improving institutional food — how to prepare chicken for 500, say.

This, too, is a main theme of national honor.

"On the French highways, the food that's available is (expletive)," Mr. Ducasse said. "Look at the Italian highways, where you can get an excellent panini made to order. Our people and our tourists are eating (expletive). I am ashamed for France."

**Don't miss the series of Sponsored Sections during Education week:**

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**TRAVEL UPDATE****Italy Museums to Open in Evening**

**R**OME (Reuters) — Italy's top museums, long criticized for unpredictable and miserly viewing hours, will remain open until late evening in what is seen as nothing short of a revolution in Italy's tourism industry.

The 16 museums, which will stay open daily from 9 A.M. until 10 P.M., include those housing some of Italy's most priceless works of art, among them Michelangelo's statue of David in Florence and Leonardo da Vinci's *Last Supper* fresco in Milan. An additional 11 museums will remain open until 10 P.M. only on Sundays.

The new opening hours will be phased in next month and last at least three years.

Striking firefighters at both Paris airports maintained their walkout for a second day on Wednesday, grounding or delaying hundreds of flights as talks dragged on. (AP)

Germany and Singapore are to liberalize air traffic between the two countries step by step, German Transport Minister Matthias Wissmann said. The nine weekly round trips between the countries are to increase to 21 in 2000. (AP)

**Montand's Body To Be Exhumed For DNA Tests**

*The Associated Press*

**P**ARIS — The corpse of Yves Montand, the French singer and actor, was to be exhumed to provide DNA samples as part of a controversial paternity test, authorities said Wednesday.

The exhumation, scheduled for Wednesday, was aimed at resolving an 18-year paternity suit pitting Mr. Montand's heirs against Aurora Drossard, 22, and her mother Anne, who claim Aurora is the celebrated crooner's daughter.

A Paris court ordered the procedure last November.

"What a horror," said Dominique Piwnica, the lawyer representing Mr. Montand's heirs, his adopted daughter Catherine Allegret and his last girlfriend, Carole Anne.

"This is a procedure that is both psychologically and morally painful," said Miss Piwnica. "Hearing the news repeated over and over again on the radio only reinforces the pain every 10 minutes."

Authorities will exhume Mr. Montand's body at dusk, after they close the gates of Pere Lachaise cemetery, in northeast Paris, where he is buried beside Simone Signoret, his wife of 36 years.

**WEEKEND SKI REPORT**

Resort Depth L U Mtn. Pistes Res. Snow State Snow Comments

**Andorra** Soldeu 60 110 Good Open Pdr 113 *great skiing on fresh powder*

**Austria** Tschig 25 120 Good Some Pdr 93 *al its open, excellent skiing overall*

Kitzbuhel 75 120 Good Open Pdr 93 *all its open, great now*

Lech 75 120 Good Open Pdr 93 *all its open, great now*

Mayrhofen 92 120 Good Open Pdr 93 *all its open, great now*

Oberjberg 90 100 Good Open Pdr 93 *all its open, great now*

Seebach 90 100 Good Open Pdr 93 *all its open, great now*

St. Anton 100 120 Good Open Pdr 103 *most its open, great now*

**Canada** Lake Louise 85 120 Good Open Pdr 93 *all 11 its open, good generally*

Whistler 80 205 Good Open Pdr 103 *all its open, great*

**France** Alpe d'Huez 100 200 Good Open Pdr 113 *1992 lits open, excellent skiing*

Les Arcs 180 160 Good Open Pdr 113 *1992 lits open, great*

Avoraz 180 160 Good Open Pdr 113 *4/94 open, new snow*

Chamonix 180 160 Good Open Pdr 113 *open, lots of snow*

Les Deux Alpes 200 220 Good Open Pdr 113 *open, excellent conditions*

Flaine 80 220 Good Open Pdr 113 *2/92 open, masses of fresh snow*

Megève 140 160 Good Open Pdr 113 *2/91 open, all but lowest runs good*

Meribel 160 140 Good Open Pdr 113 *3/92 open, great skiing*

La Plagne 145 200 Good Open Pdr 113 *1992/93 open, wonderful conditions*

Sem Chevalier 180 160 Good Open Pdr 113 *open, lots of snow*

St. Martin 180 160 Good Open Pdr 113 *open, lots of snow*

Tignes 135 210 Good Open Pdr 113 *most its open, great snow most*

Val d'Isère 150 200 Good Open Pdr 113 *1992 lits open, great snow*

Val Thorens 100 250 Good Open Pdr 113 *2/92 lits open, excellent skiing*

**Germany** Garmisch 5 250 Good Some Pdr 103 *2/93 lits open, zugspitze excellent*

**Clinton Plans Visit To Rwanda Airport Stop Will 'Acknowledge Genocide'**

By Thomas W. Lippman  
*Washington Post Service*

WASHINGTON — Pres-

ident Bill Clinton has decided

to stop in Rwanda during his

coming tour of Africa to show

U.S. concern about the ge-

nocide that wracked the

country in 1994 and that threatens

to erupt again, according to

senior administration offi-

cials.

For security reasons, Mr.

Clinton will not leave the

airport in Kigali, the Rwandan

capital. But the March 23 stop

will include a public event to

"address and acknowledge

the genocide that ensued," a

senior official said.

By visiting Kigali, Mr.

Clinton will underscore his

administration's reversal of

attitude about Rwanda, where

U.S. concern about the ge-

nocide has been

subjected to some criticism

that it had overlooked the

country's myriad problems

ton Plans V  
Rwanda Airport  
all Action

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## THE AMERICAS

## Clinton Testimony Being Discussed With Starr's Office

By John M. Broder  
and Stephen Labaton  
New York Times Service

WASHINGTON — President Bill Clinton's top lawyer and prosecutors investigating the Monica Lewinsky matter have recently opened discussions over whether Mr. Clinton would provide grand jury testimony, according to a senior administration official and a lawyer involved in the inquiry.

The contact between the president's lawyer, David Kendall, and prosecutors appears not to have resulted yet in any agreement over the timing or scope of the president's testimony.

"I'm not going to talk about that today," Mr. Clinton said during an Oval Office picture-taking session with Kofi Annan, the secretary-general of the United Nations, according to The Associated Press. "I can't. I've got to do the work that the people of this country hired me to do."

"Taking Mr. Clinton's side, Mr. Annan told reporters, "I wish you would concentrate on my issues." When a reporter tried to return to the grand jury investigation, the White House press secretary, Michael McCurry, cut off questioning, saying, "Thank you, everyone. We're done."

The discussions suggest that the Whitewater independent counsel, Kenneth Starr, could complete the fact-finding phase of the Lewinsky inquiry within the next few weeks, as

Mr. Clinton would be one of the final witnesses to testify. Negotiations with Ms. Lewinsky's lawyers over her providing testimony under a grant of immunity broke down weeks ago.

There are significant political and legal calculations on both sides. The president might be reluctant to refuse a request by Mr. Starr that he testify in the Lewinsky case because it would leave the impression that he has something to hide.

But testifying poses both legal and political risks. He could be caught by surprise, as he was in the Paula Jones deposition, in which he was asked for the first time about Ms. Lewinsky.

Although Mr. Starr could simply subpoena the president, rather than try to negotiate his testimony, doing so might make him appear overly aggressive and might lead the president to claim executive privilege and refuse to answer questions, a step that could lead to a protracted court battle that would delay Mr. Starr's inquiry by months.

At least two senior White House aides — Bruce Lindsey, the deputy counsel, and Sidney Blumenthal, a communications adviser — have refused to answer some of Mr. Starr's questions before the grand jury, citing the right of the president to confidential conversations with his staff.

Mr. McCurry said he did not know details of the talks between Mr. Kendall and the independent counsel's office.

However, he said, "In the past, when Mr.

Starr wanted to talk to the president, they have worked out amicable terms to do so."

Lawyers in Mr. Starr's office declined to comment on whether they had engaged in discussions over the president's grand jury witness.

Mr. Clinton said shortly after the Lewinsky accusations surfaced in January that he and his staff would cooperate in the investigation. He said he would like to clear up questions raised by the inquiry "sooner rather than later."

The president has said very little about his relationship with Ms. Lewinsky. She has told friends that she had a sexual affair with the president, but in an affidavit for the Paula Jones sexual misconduct lawsuit, she said there was no sexual relationship, according to lawyers involved in the case. Mr. Clinton vigorously denied having sexual relations with Ms. Lewinsky or encouraging her to lie about any such relations.

Mr. Starr and his predecessor, Robert Fiske Jr., have taken the president's testimony under oath at the White House on several previous occasions on a variety of Whitewater-related matters. Portions of that testimony were later read to grand jurors.

Mr. Starr and Mr. Fiske have also questioned Hillary Rodham Clinton at the White House about the Clintons' business affairs in Arkansas, although once, in early 1996, Mr. Starr ordered Mrs. Clinton to appear before a grand jury in Washington. Her appearance

was demanded after a copy of some of the billing records from her old law firm mysteriously surfaced in the residence of the White House nearly two years after they were first subpoenaed.

At the federal courthouse here Tuesday, prosecutors questioned Kathleen Willey, a former White House volunteer, about an alleged 1993 Oval Office sexual encounter with Mr. Clinton. Mrs. Willey did not speak to reporters after her four-hour grand jury appearance, and her lawyer did not return telephone calls seeking comment.

Citing Mrs. Willey's appearance, defenders of the president raised new questions about Mr. Starr's conduct of the investigation.

Lawyers and other members of Mr. Clinton's defense, speaking on the condition of anonymity, said her testimony was evidence of collusion between Mr. Starr and Mrs. Jones's legal team. They said his questioning of witnesses in the Jones lawsuit indicated that Mr. Starr's office had been following Mrs. Jones' lawyers in trying to establish a record of sexual misconduct and obstruction of justice by the president and his agents.

Lawyers in Mr. Starr's office have said that the first point of intersection of their long-running Whitewater investigation with the Jones lawsuit came in mid-January, when they became aware of accusations that Mr. Clinton had had a liaison with Ms. Lewinsky and encouraged her to lie about it.

## POLITICAL NOTES

## Democrat Wins Bellwether Race

SANTA BARBARA, California — Lois Capps, a liberal Democrat, has defeated Tom Bordonaro, a conservative Republican, in a closely watched congressional special election that was seen by both sides as a possible harbinger of the 1998 House elections in the nation's most populous state.

With more than 90 percent of the vote counted, Mrs. Capps led Mr. Bordonaro by 8 percentage points.

Mr. Bordonaro, who upset a moderate, Brooks Firestone, in the Republican primary, ran poorly in precincts previously carried by Mr. Firestone. Mrs. Capps led from start to finish in what had been projected as a tight race, establishing a commanding lead in an early count of absentee ballots and holding it throughout Tuesday evening.

Mrs. Capps, 60, a former Santa Barbara school nurse, is the widow of Walter Capps, who died Oct. 28 after 10 months in office as a congressman. He was the first Democrat since World War II to represent this district.

Mr. Bordonaro, 38, is a state assemblyman, former businessman and member of a San Luis Obispo ranching family. He has been in a wheelchair with limited use of his arms since a car accident in 1977. (WP)

## Linking IMF and Abortion

WASHINGTON — Republican leaders in the House of Representatives said Wednesday that they would link anti-abortion provisions to a funding package for the International Monetary Fund and the United Nations.

The White House threatened to veto the IMF package if Republicans attach anti-abortion provisions to it.

The provisions, which killed a similar funding bill for the IMF last year, would likely hurt its chances of passage through Congress by driving away Democrats and the Clinton administration. Speaking after a meeting of House Republicans, the appropriations committee Chairman, Bob Livingston of Louisiana, said the package would prohibit any U.S. funding for private or multilateral institutions that lobby to change foreign government laws that now ban abortion.

The bill would include the full \$18 billion for the IMF requested by the administration and just under \$1 billion to pay U.S. arrears to the United Nations, he said. (Reuters)

## Criminal Casts Vote in House

WASHINGTON — Representative Jay Kim, Republican of California, sentenced this week for accepting illegal campaign contributions, walked onto the House floor Tuesday and to the surprise of his colleagues, cast his first vote as a man convicted of a federal crime.

In a few days time, Mr. Kim will surprise them again. He is expected to become the first member of Congress to wander the chamber wearing a court-ordered electronic monitoring bracelet.

"It's a very strange situation," said Representative Martin Frost, Democrat of Texas, who presides over the Democratic Congressional Campaign Committee.

On Monday in California, Mr. Kim was sentenced to one year of probation, a \$5,000 fine and two months of electronic monitoring in what prosecutors called the largest case of campaign finance violations in U.S. history. Last year, the congressman pleaded guilty to accepting \$250,000 in illegal contributions, a misdemeanor.

House members convicted of crimes can remain in Congress, but those convicted of felonies cannot vote.

Mr. Kim's political future in Congress — at least this term — is not entirely up to him. The House ethics committee is investigating Mr. Kim and could recommend a reprimand, censure, expulsion or nothing at all, once his inquiry is complete. The full House would have to approve the committee's report, with expulsion requiring a two-thirds vote. (NYT)

## Quote/Unquote

Joe Lockhart, a White House spokesman, mimicking a phrase he often uses to avoid answering questions about the Lewinsky investigation, on the announcement that Buddy, America's first dog, will undergo an operation to make sure he brings no little Buddies into the world: "The counsel's office has told me I can't answer that question." (LAT)

## Away From Politics

• A couple who hired a surrogate to carry an artificially conceived baby caused the girl's birth and are as much her parents as they would be if she were born the usual way, an appeals court in Santa Ana, California, ruled. The court ordered the father of Jaycee Louise Buzzanca, now almost 3, to pay child support to his former wife. (AP)

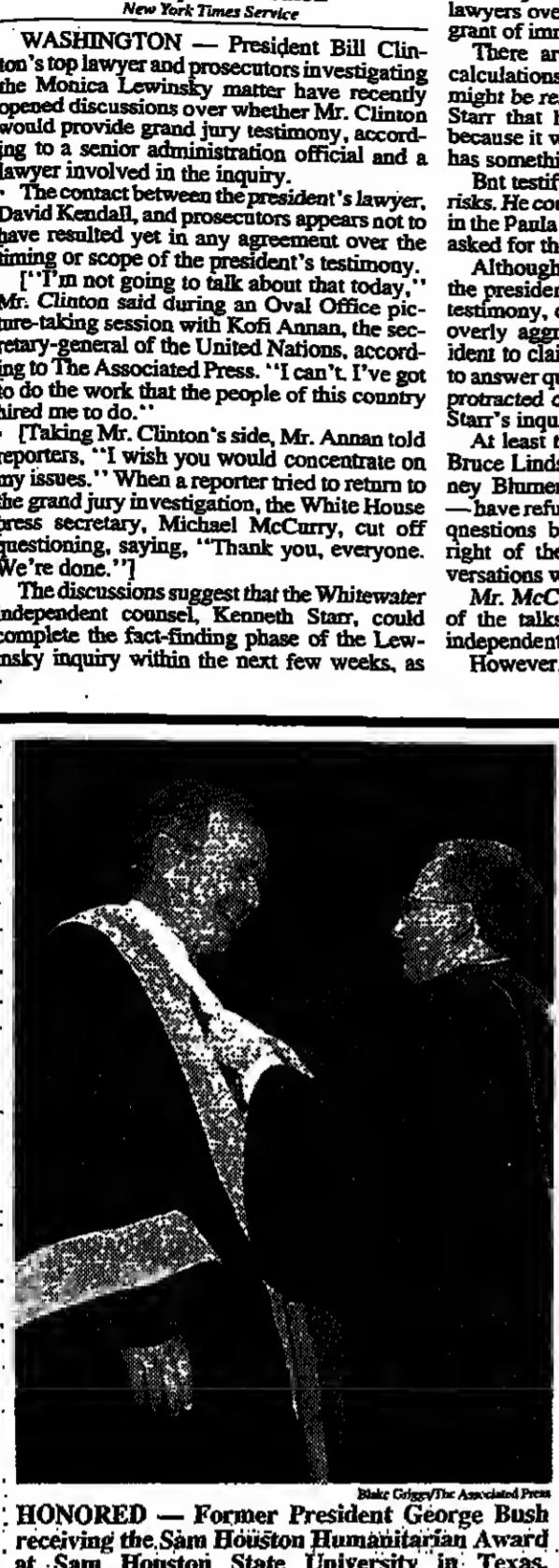
• The United States has hired 1,000 extra agents to patrol the Mexican border as part of a multibillion-dollar campaign to keep out illegal immigrants, criminals and drug smugglers. Doris Meissner, commissioner of the Immigration and Naturalization Service, said the agency would deploy most of the new agents in Texas. (WP)

• The Federal Aviation Administration is investigating whether an air traffic tracking system went out amid reports that Air Force One vanished from radar screens for 24 seconds. Broadcast reports said the airplane disappeared from radar screens Tuesday as President Bill Clinton traveled to Connecticut. (AP)

• The Pathfinder spacecraft is officially dead. NASA scientists said after a last-ditch attempt to communicate with the little rover and lander that made history on Mars last summer. The scientists spent five fruitless months trying to communicate with the craft that likely had succumbed to the cold and dust of the Martian winter. (AP)

AMERICAN

TOPICS



HONORED — Former President George Bush receiving the Sam Houston Humanitarian Award at Sam Houston State University in Texas.

AMERICAN

TOPICS

## Utilities Recycle Their Sludge Into Profit

U.S. power plants burned 870 million tons of coal in 1996, leaving about 100 millions of ash to be disposed of. Only about a quarter of that was recycled, according to the Electric Power Research Institute. The Pennsylvania Power Co. plant near Shippingport dumps about 500,000 tons of ash-filled sludge a year into a disposal area. But that will soon change. National Gypsum Co. has broken ground on a \$79 million plant to treat the sludge and use it to make synthetic gypsum wallboard for construction. It will be one of the largest recycling projects in North America.

Other utilities have recycled ash for use in roof shingles, asphalt and aluminum castings for engine blocks. Delmarva Power & Light found such recycling so lucrative that the Delaware utility began mining ash from its disposal pits.

Creating synthetic gypsum, such as National Gypsum will produce, costs less than mining natural gypsum from underground deposits, the Pittsburgh Post-Gazette reports. The project will lower the power company's disposal costs and extend the useful life of its dumping area.

## Short Takes

Mike Marko has a Washington State University Cougars sweatshirt, sips coffee from a Cougars mug and roots for WSU teams. After he gets his bachelor's degree, he might even visit his campus — 1,786 miles away.

College had been elusive for the Ohioan, 44. But the Internet, video conferencing and such simpler technology as videotapes have lowered barriers for him and many others otherwise isolated from campuses. By 1995, the Education Department said, more than 700,000 students were taking off-campus courses electronically; two in three colleges and universities are expected to offer such courses this year. The University of Texas decided last year not to build a new campus, creating a "TeleCampus" instead.

Mr. Marko watches taped lectures and talks to professors and classmates by toll-free voice mail. "It's the greatest thing," he said, "since the invention of the wheel."

Brian Knowlton

## 3 Armed Services Oppose Segregation by Gender

All Recruits Should Train Together, They Say

By Steven Lee Myers  
New York Times Service

WASHINGTON — The U.S. Army, Navy and Air Force are expected to reject a committee's recommendations that the nation's armed services separate men and women for much of basic and advanced training, according to officials.

In drafts of reports prepared for Defense Secretary William Cohen, the three services have opposed separating recruits by gender at the most basic level of training and housing them in separate barracks, as recommended by a special panel headed by the former Senator Nancy Kassebaum Baker, Republican of Kansas, the officials said Tuesday.

Mrs. Kassebaum Baker's recommendations, made in December, rekindled debate inside and outside the Pentagon about the decades-long efforts to integrate women into the military. Created following reports of sexual harassment at the army's advanced training school at Aberdeen, Maryland, the panel concluded that the army, navy and air force should train more like the Marine Corps, which strictly segregates male and female recruits at the corps' recruit depot on Parris Island, South Carolina.

Both President Bill Clinton and Mr. Cohen said after the Kassebaum Baker report was issued that they would respect

the views of the services on this issue. For that reason, Mr. Cohen is unlikely to go against the wishes of the services on such a controversial change.

The officials said Tuesday that the three services would accept many of the panel's other recommendations. The services do agree with making improvements in training and the recruiting of drill sergeants and toughening physical fitness standards, the officials said.

But after years of occasionally wrenching efforts to bring men and women closer together in virtually all parts of military life except the most intense combat, the services could not support separating recruits by gender when they entered the services and began their inculcation into the military, the officials said.

"We want these young people to get adapted to our way of life when they come in," a senior military official said, noting that men and women served together in most jobs in the army, navy and air force.

With Mrs. Kassebaum Baker's panel holding the Marine Corps training as something of a model, that service is not expected to dispute the recommendations on separate units and barracks. Like the other services, the Marine Corps is expected to embrace many of the other recommendations on providing better resources for training and recruiting.

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## ASIA/PACIFIC

# Just Another Skirmish For Indonesian Warrior

**Human Rights Campaigner Continues Fight That He Began Decades Ago as a Dutchman**

By Thomas Fuller  
International Herald Tribune

JAKARTA — Hanging above a battered vinyl couch in J. C. Princen's office is a small, five-pointed bronze star and a faded certificate signed "Sukarno." It's a badge of courage that Mr. Princen, 72, has used throughout his career as an Indonesian human-rights campaigner — proof of patriotism from the country's first president, commemorating Mr. Princen's role in the struggle for independence.

These days Mr. Princen would seem to need the credential. He continues to attack the government at a time when officials in Jakarta, faced with a financial crisis and increasing social disquiet, are particularly sensitive to criticism.

Earlier this week, Mr. Princen was one of about 150 activists who defied a ban on political protests in the capital. A handful of his colleagues were arrested at the demonstration, which protested the re-election of President Suharto.

"I would very much like that they arrest me at the moment," Mr. Princen said. "Not only because I'm vain, but because I want to prove how this regime works."

Mr. Princen's official title is director of the Institute for the Defense of Human Rights, one of about 30 nongovernmental organizations in the capital that lobby on such issues as women's rights, unfair labor practices and political reform.

He spends a good deal of his time writing open letters to Mr. Suharto. He demands that extra-judicial bodies be abolished, asks for answers about disappearances in East Timor and says political change needs to take place before the economy can recover.

Mr. Princen knows Indonesia's prisons and judicial system well; he has spent a total of 10 years in jail during the presidencies of both Mr. Sukarno and Mr. Suharto. The first time was when, as a member of Parliament, he charged that government spending was not distributed equally among the country's outlying islands. President Sukarno did not take kindly to the criticism, and soon after Mr. Princen was whisked off to jail.

These days, Mr. Princen is the man in the wheelchair at political rallies, the *Pahlawan Gerilya* — guerrilla hero — two words etched on his bronze star. He is rarely absent from a courtroom during political trials, and students around the country smile with admiration when his name is mentioned.

His main preoccupation during the current crisis is that government critics are not only being detained or arrested, he says, some are disappearing altogether. A Western diplomat in Jakarta said he has counted about two dozen unexplained disappearances since the economic crisis started last fall; Amnesty International lists a similar figure.

Johannes Cornelis Princen would appear to be an unlikely candidate as a leader in Indonesia's human rights movement. He was born and raised in the Netherlands, Indonesia's colonial master for several hundred years before legal independence in 1945.

Mr. Princen's first contact with Indonesia came after World War II, when he was sent as a soldier in the Dutch Army to help retain the colony.

But an adolescence under Nazi rule and two years in German prisons and concentration camps — he was accused of assisting the Resistance after the Germans invaded in 1940 — changed his attitude toward wars and armies.

"It directed my life," he says. "And made me fight against cruelty." So much so that Mr. Princen turned on his countrymen and joined the Indonesian

guerrillas fighting for independence. "I thought the Indonesians were right. I thought they should be the ones to decide their own future," Mr. Princen became an Indonesian citizen in 1949.

From his terrace at his one-story house, Mr. Princen works the phone. He checks up on reports of a clash between student protesters and the army in Bandung, about 130 kilometers (80 miles) outside Jakarta. (The reports proved false.) And he gives unsolicited advice to Western envoys scheduled to visit President Suharto.

"You have to talk to Suharto in a very special way," he said. "Think about karma."

Mr. Suharto cannot carry the debts of Indonesia's people to his grave, he said. "He should be reminded that karma will wait for him. Whatever he does will return to him."

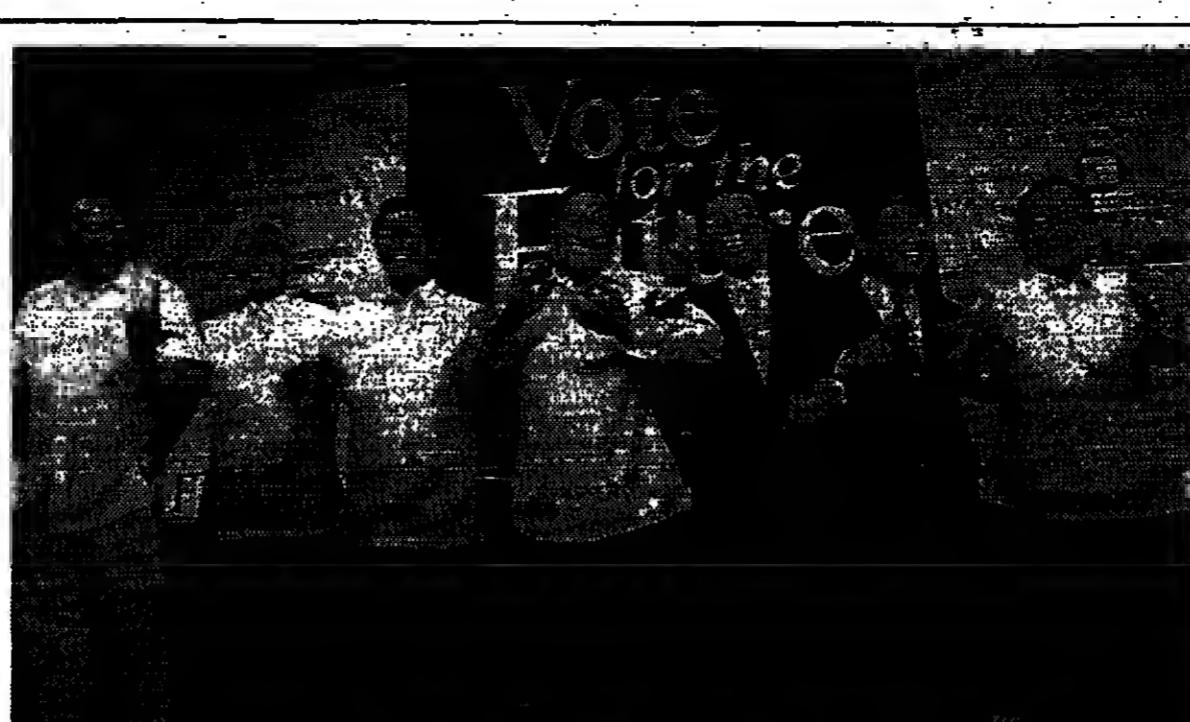
Like many other veteran activists, Mr. Princen said he once supported Mr. Suharto as an alternative to President Sukarno. But he says his opinion of Mr. Suharto changed "the moment he started gathering as much money as he could for himself."

In declining health recently, Mr. Princen says he wants to visit his brother in the Netherlands. Veterans groups there protested vigorously during his last visit several years ago, putting in jeopardy his visa this time.

Mr. Princen says he understands the veterans' view. He likens his decision to fight with the Indonesian guerrillas to that of a U.S. soldier in Vietnam joining the Viet Cong.

But he defends his decision and the ethical issues that surround it.

"Did you shoot the Dutch? Did you kill the Dutch?" he says he is often asked. "Yes, yes."



Presidential candidates at a Manila business forum Wednesday. From left, Mr. Osmena; Mr. Lim; Mr. de Venecia; Senator Raul Roco, Senator Juan Ponce Enrile; Santiago Dunilao, a businessman, and Mr. de Venecia.

## 11 to Contest Philippines Presidency

By Roberta S. Flores

MANILA — The Philippines election commission on Wednesday named 11 official candidates, including Imelda Marcos, the former first lady, for what will be the most crowded presidential race in the country's history.

Others approved by the Commission on Elections for the May 11 race included Vice President Joseph Estrada, a former film star who is far ahead in opinion polls, and President Fidel Ramos' preferred successor, the speaker of the House, Jose de

understanding of economic affairs. Mr. de Venecia, who pushed Mr. Ramos's reforms in Congress but who lacks popular appeal, ranked fourth in poll.

Also ahead of Mr. de Venecia, and accredited by the commission as candidates, were the mayor of Manila, Alfredo Lim, and a former governor of Cebu, Emilio Osmena.

The others who qualified were a former defense secretary, Renato de Villa, three senators, a businessman, and a one-time chief censor.

Mrs. Marcos, who is battling to stay out of jail after a court sentenced her to 12 years in jail for graft, is the candidate of the founding New Society's Movement party of her husband, the late dictator Ferdinand Marcos.

When she ran in the 1992 election — the previous largest race with seven candidates — she won 10 percent of the vote, compared with just over 24 percent for President Ramos.

Election commission officials, who deliberated for two weeks on the final list of candidates, disqualified 70 presidential hopefuls as "nuisance" candidates.

They included a man who identified himself as "King of Kings" and said he had descended from heaven to save the world, and another who pledged to consult the horoscopes before making any policy should he come to power.

The commission also accredited 8 vice presidential candidates and 40 candidates for 12 Senate seats.

## Parties in Korea Talks Await North's First Move

By Don Kirk  
International Herald Tribune

SEOUL — President Kim Dae Jung's efforts to break the blockade in relations with North Korea have created a sense of hope that talks in Geneva this weekend among the protagonists of the Korean War may go beyond past rhetoric.

Diplomats and other North Korea-watchers note that the North has restrained from the kind of harsh commentary with which it greeted Kim Dae Jung's predecessor, Kim Young Sam, after his election in 1992.

This time, a U.S. Embassy official said, "We hope to be able to move beyond sterile debate and get into matters of substance."

Negotiating teams from North and South Korea, China and the United States will hold their second round of "four-party talks" aimed at bringing peace to the Korean Peninsula and ending the confrontation across the heavily armed demilitarized zone.

The first round, held in Geneva a week before Mr. Kim's election in December, founded on the North's insistence on two points unacceptable to the United States or South Korea: that the talks focus on the withdrawal of the 37,000 U.S. troops from Korea, and that North Korea and the United States, without Seoul, conclude a bilateral peace treaty to end the Korean War, which was suspended with a cease-fire in July 1953.

"What we're waiting for is for the North to decide it's ready for genuine



Defense Minister Chen Yong Tae of South Korea, left, and General Tiller, chief of U.S. troops in South Korea, attending a ceremony in Seoul.

Korean delegation, is expected to repeat the North's demands in the opening minutes of the first plenary session of the talks of Monday.

The United States has said North Korea can raise any issue at the talks but would not permit the North to set an "agenda" that excludes other topics. It is in lower-level meetings next week that American and South Korean officials hope to get a sense of whether the North is willing to relax its position slightly.

"We are ready to talk to them any time, but they refuse," said Han Chong Hee, a member of the South Korean delegation. "It's totally blocked from a long time ago."

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Park Young Ho, a senior research fellow at the Research Institute for National Unification here, a government organization, said, "People usually think that inter-Korean relations might improve as a result of Kim Dae Jung's election." But he said that was "not very optimistic."

Since he was elected, Mr. Kim Dae Jung has reassured the South of his right to exist as a separate entity from the South, called for an exchange of convoys and cooperated on various cultural and economic exchanges. His government is offering to send 50,000 tons of grain to the North amid reports of another severe food shortage. It has indicated it will increase trade and investment in the North and may make it no longer a crime for South Koreans to come in to North Korean radio broadcasts.

But Mr. Kim said Wednesday that his government would not abolish a law making unauthorized contacts with the North a major crime. He said the law could be changed if North Korea made a "corresponding step."

The reaction from the North to the new administration has been "moderate and positive," said Kim Young Min, an official with the Unification Ministry.

South Korean and American negotiators have said that the four-party talks would discuss the "peace mechanism on the Korean Peninsula," including steps for reducing forces, while questions of exchanging envoys, reuniting families separated by the Korean War and economic cooperation should be reserved for any North-South talks.

## BRIEFLY

### Allies Slow to Back Indian Hindu Party

NEW DELHI — In a delay to his expected appointment as India's prime minister, Atal Bihari Vajpeyi, the Hindu nationalist leader, waited for letters Wednesday from allies confirming that they would support a government led by him.

Mr. Vajpeyi, a leader of the Bharatiya Janata Party, put off a scheduled meeting with President K. R. Narayanan in which he was to submit proof that he had backing from smaller parties to form a stable coalition government.

There was no immediate explanation for the delay of the letters.

The Bharatiya Janata Party has been bargaining with other parties for a week to try to patch together a majority in the 545-seat lower house of Parliament. National elections failed to give any single party a majority.

**Nuclear Waste Ship Still Fails to Dock**

ROKKASHO, Japan — For the second successive day, a ship carrying 30 tons of nuclear waste sat off this northern Japanese village while a local official refused its permission to dock.

The British-flagged Pacific Swan was scheduled to arrive early Tuesday with waste to be stored in Rokkasho. The spent nuclear fuel, from Japanese nuclear power plants, was processed in France for disposal here.

The defiant official, Governor Morio Kimura, has demanded assurances from Prime Minister Ryutaro Hashimoto that a permanent storage site will be built elsewhere.

Mr. Kimura forced a one-day delay in the unloading of the first waste shipment in 1995 by demanding that the government clarify its position on finding the permanent site.

### China-Taiwan Bid

TAIPEI — China has invited Taiwan's negotiators to visit, the latest step toward resuming talks between the two sides.

"Our association is willing to invite appropriate-level officials from your foundation to lead an economic, cultural, academic or sports delegation to our hold meetings," said a letter Wednesday from China's semiofficial Association for Relations Across the Taiwan Strait.

The visit might also facilitate an "exchange of views over procedural issues leading up to political discussions" between the sides, the letter said.

Observers said the letter seemed to show more flexibility over a restoration of contacts, downplaying the demand that Taiwan discuss political issues relating to reunification with China.

### Attack in Thailand

BANGKOK — Marauders from Burma burned Karen refugee camp inside Thailand early Wednesday, killing 2 people and wounding 33 while leaving nearly 9,000 refugees with no shelter.

The attack razed the 1,613-home Huay Ko Lo refugee camp nearly 6 kilometers (3.7 miles) inside Thailand, aid workers and refugees said.

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**BRIEFLY**  
Allies Slow to Push  
Indian Hindu Party

## Clash Over Cyprus Casts a Shadow on Talks to Widen EU

By Tom Buerkle  
International Herald Tribune

LONDON — It was billed as yet another historic European occasion, a meeting between leaders of the 15 European Union nations and their counterparts from 11 EU candidate countries in Central and Eastern Europe.

But even before officials began arriving here on the eve of Thursday's gathering, a boycott by Turkey and disagreements over the membership of Cyprus threatened to overshadow the meeting.

A spokesman for Prime Minister Tony Blair, who will chair the inaugural meeting of the so-called European Conference, said Wednesday that Britain wanted Cyprus to begin EU membership negotiations at the end of this month, as planned, along with Poland, Hungary, the Czech Republic, Slovakia and Estonia. But a spokeswoman for President Jacques Chirac of France cast doubt on Cyprus's standing because of the failure of the Greek and Turkish communities on the divided island to agree on a joint negotiating delegation.

"One has to ask what the point is," said the spokeswoman, Catherine Colonna. Some diplomats were asking the same question about Thursday's meeting. The conference was originally conceived as a mechanism to tighten links between the EU and Turkey, but Ankara decided to boycott it last December after Union leaders decided Turkey was not economically or politically ready for EU membership.

Relations have gone mostly downhill since. Last week, Prime Minister Mesut Yilmaz said Germany's interest in EU enlargement was to gain "Lebensraum," the term used by Adolf Hitler to justify Nazi Germany's territorial expansion. Greece, meanwhile, has blocked EU

initiatives to deepen trade and political ties with Ankara and has threatened to block negotiations with the five Eastern European countries if talks with Cyprus are stalled.

On Wednesday, Robin Cook, the British foreign secretary, sought to strike a delicate balance, saying the Union had to find "other ways" of maintaining a dialogue with Ankara outside the European Conference. But he insisted that enlargement talks would open with Cyprus and that it was up to Rauf Denktash, the Turkish Cypriot leader, and his backers in Ankara to ensure that the island's Turkish community was represented.

Mr. Blair, meanwhile, was

expected to press Cyprus to abandon plans to install Russian ground-to-air missiles on the island at a meeting late Wednesday with President Glafcos Clerides. Turkey regards the planned purchase as a provocation and has threatened to respond militarily if they are installed.

Mr. Blair and Mr. Chirac also voiced similar sentiments that the conference should make "positive noises" about Turkey and its eventual goal of EU membership.

Aside from Turkey and Cyprus, the leaders were expected to discuss ways to cooperate in fighting international crime and drug-trafficking and tackling cross-border environmental problems such as acid rain.

Mr. Cook also said he expected to win East European backing for the limited sanctions imposed against Serbia earlier this week by the major EU states and the United States, to protest Belgrade's intervention in Kosovo.

The conference also was in-

tended to serve a symbolic role, putting East European leaders on the same footing as their EU counterparts for the first time rather than appearing as supplicants at the tail end of EU summit meetings.

### BRIEFLY

## Germans Seek U.K. Prosecution Of Suspect in Attack by IRA

LONDON — German authorities said Wednesday they would ask Britain to prosecute a suspect in an Irish Republican Army attack, now that Britain has decided to stop extradition proceedings.

Britain announced Monday that it was halting proceedings to extradite Roisin McAliskey, daughter of Bernadette Devlin McAliskey, a prominent Roman Catholic activist and former member of Parliament from Northern Ireland.

German authorities wanted to question her about an IRA attack on a British Army barracks at Osnabrueck in June 1996. Nobody was wounded, but buildings were damaged. Miss McAliskey has denied involvement. (AP)

## Turkish Court Acquits Police

MANISA, Turkey — A court in western Turkey on Wednesday acquitted 10 police officers of torturing 14 people, including teenage students, after detaining them on charges of belonging to a leftist group.

"The court has decided to acquit the defendants because it has not seen adequate evidence proving them guilty beyond reasonable doubt," a judge said when reading out the verdict.

The youths said the police tortured them for 10 days in 1996, stripping them naked, anal rape them with batons, giving them electric shocks and hosing them with pressurized water. (Reuters)

## Labor Talks Start in Germany

BREMEN, Germany — Unions representing 3.2 million German public sector workers began arbitration talks with the government Wednesday after contract negotiations collapsed last week.

The mediator, former Mayor Hans Koschnick of Bremen, said he was optimistic he could broker an accord that would avert a strike by the public employees.

Most contentious is a union demand for equal status for workers in former Communist East Germany, who are paid only 85 percent of their western compatriots. Mr. Koschnick told the daily *Stuttgarter Nachrichten*. (AP)

## For the Record

The Czech Parliament's path to ratifying the country's membership in the North Atlantic Treaty Organization was smoothed Wednesday when the Social Democrats, the leading opposition party, backed off on its demand for a referendum on the issue. (Reuters)

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THE WORLD'S DAILY NEWSPAPER

## EUROPE

## NATO to Send More Aid to Albania, but No Troops

By William Drozdiak  
Washington Post Service

BRUSSELS — Faced with the danger of another Balkan war, the NATO allies held emergency talks Wednesday with Albania and agreed to step up military and civilian aid to prevent flooding in the Serbian province of Kosovo from spilling across borders.

The allies approved a plan to help Albania stem the flow of arms, drugs and guerrilla fighters into Kosovo, where ethnic Albanians, who compose 90 percent of the population, have been brutally suppressed in recent days by Serbian police. The North Atlantic Treaty Organization also began mobilizing food, tents and blankets to help Albania cope with a sudden surge of refugees if the violence worsens.

But the United States and its European allies stopped short of embracing an Albanian suggestion to dispatch a NATO-led peacekeeping force that could contain the conflict and ensure peace along the Yugoslav-Albanian border.

Albania's deputy defense minister, Perikli Teta, said his country would welcome a monitoring force similar to the one now serving under United Nations mandate in neighboring Macedonia, where 700 American and Nordic soldiers are stationed along the Yugoslav border. Mr. Teta said the "positive experience" in Macedonia showed how

preventive deployments could help defuse tensions in the volatile region.

NATO military analysts, however, concluded there was no imminent threat to Albania's sovereignty that called for an urgent deployment of NATO troops. They reported that in the absence of any massing of troops or equipment near the border, sending a NATO rapid-reaction force to the region would be a premature and possibly even provocative gesture that could escalate violence between Serbs and Albanians.

Wednesday's meeting was called under the Partnership for Peace program that NATO established to bolster military and political ties with Central and East European states that are not in line for early membership. The partnership allows those countries who feel their security interests directly threatened to invoke an emergency meeting with NATO's 16 members and discuss what remedies can be found. But it does not obligate the NATO allies to respond.

The crisis in Kosovo has served as another reminder that NATO is being pulled inexorably into the Balkan tinderbox of ethnic tensions as the principal guarantor to contain military conflict, if not assure stability in the region.

The peacekeeping mandate of the NATO-led mission in Bosnia has been extended indefinitely, and NATO's chief commander, General Wesley Clark, says he expects to

maintain the current level of 31,000 soldiers through the end of the year.

In addition, the United States has proposed that a NATO force composed mainly of European soldiers should replace the American and Nordic troops now serving in August. And when the Kosovo crisis spirals out of control in the coming weeks, NATO officials said it was likely that alliance forces would be sent to restore order, if only to prevent a regional war that could align NATO members Greece and Turkey on opposite sides of the conflict.

While NATO is struggling to reconfigure its post-Cold War military structure into rapid-reaction units that can put out such brush fires, the alliance has found its attention diverted by the process of expansion into Central Europe at a time when ethnic turmoil in southeastern Europe has emerged as the Continent's gravest security danger.

"For the next few years we will be very busy trying to integrate Poland, Hungary and the Czech Republic, but it is almost a certainty that the biggest drain on our troops and our resources will be containing all the explosive forces in the Balkan region," a senior NATO diplomat said.

As military budgets dwindle in the absence of a Soviet-style threat, some NATO analysts predict that trans-Atlantic arguments over how to share the burden of peace-

keeping missions could become a constant source of friction. The United States wants the Europeans to take more responsibility for their own security, but in many places, such as the Balkans, only the United States is considered to have sufficient power to pose a credible peacekeeping deterrent.

Senior American officials say that with 36,000 troops in the Gulf poised to strike Iraq and 8,500 still in Bosnia, the United States feels it is reasonable to assume that the Europeans should be called upon to shoulder the brunt of future NATO deployments in other potential flashpoints.

### ■ Leader Demands Independence

The ethnic-Albanian leader Ibrahim Rugova demanded outright independence for Kosovo on Wednesday, but Belgrade ruled out any negotiations until the demand was dropped, Reuters reported from Pristina, the Kosovo capital.

Mr. Rugova, head of the Democratic League of Kosovo, said, "The only acceptable solution for us is an independent Kosovo, not some kind of autonomy."

Serbia dismissed the demand at once. "This is completely against our constitution, this is unacceptable for us, and I think this position is unfortunate because it does not offer the possibility of negotiations," the Serbian information minister, Radmila Mitenjevic, said.

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## INTERNATIONAL

# U.S. May Deport Iraqis Who Worked for CIA

6 Are Declared Threats to National Security

By Tim Weiner  
New York Times Service

WASHINGTON — Six Iraqis who apparently worked in concert with the CIA in failed plots against Saddam Hussein have been declared threats to U.S. national security in a court ruling so secret that their lawyers cannot read it.

The ruling, handed down by a federal immigration judge in Los Angeles, means that they may be deported to their homeland, where they would likely face execution, their lawyers said.

The immigration judge, D.D. Sitgraves, in a public part of the ruling that was handed down Monday called the six Iraqis imprisoned in California "a danger to the national security of the United States." Her decision was largely based on secret testimony provided by FBI agents.

The six Iraqis say they worked for two CIA-backed resistance groups trying to undermine Mr. Saddam; U.S. government officials did not dispute that on Tuesday. The Iraqis were offered refuge by the United States when two CIA plots against the Iraqi leader collapsed in 1996. After arriving in California, they were placed in detention centers run by the Immigration and Naturalization Service.

They said last year that they had been falsely accused of being Iraqi spies. They said the accusations flared from political and personal infighting among the members of the Iraqi resistance. Several protested what they felt was a miscarriage of justice in the making.

"We came to this land legally, on account of the U.S. government, and they put us in a jail," said Ali Yasin Mohammed Karim, who worked with the Iraqi National Congress in northern Iraq. "Where is the law?"

The Iraqis' lawyers said they could not cross-examine the FBI agents who testified against their clients. Their questions called for answers that the Immigration and Naturalization Service asserted were too secret to discuss in open court.

## U.S. Senators Push for Aid To Opponents Of Saddam

By Walter Pincus  
Washington Post Service

WASHINGTON — A group of Republican senators headed by the Senate majority leader has added a \$38 million package of programs for opponents of Saddam Hussein to the State Department authorization bill, hoping to change the Clinton administration's policy from containment of the Iraqi leader to actively promoting his removal.

Republican sources say that a conference committee report on the State Department funding measure is expected to be taken up later this week in the House. The Iraq package was first reported in The Washington Times.

Many of the steps were first proposed by a group of former national security officials who served in the Reagan and Bush administrations.

But the group's most controversial ideas — giving diplomatic recognition to an Iraqi provisional government and providing it weapons and U.S. military air cover — are not part of the initial proposal by the majority leader, Trent Lott of Mississippi, and the other Republican senators in the group.

"This is only a first step toward the longer-term plan of ousting Saddam Hussein," a Republican source said Tuesday.

The State Department authorization bill has been tied up in Congress over controversial amendments since last session. A Republican source said the Iraq proposal could get attached to another piece of legislation as well. He called the State Department authorization "the first train at the station, and if it fails, the package will be added to the next one that comes along."

Included in the Iraq package are: • \$20 million in humanitarian aid for those areas in northern and southern Iraq where the Baghdad regime does not exercise control. The aid would go to areas in the north where Kurdish groups at one time received \$40 million that was distributed by the Agency for International Development and the Pentagon, and to areas in the south, where Iran has in the past provided support.

• \$10 million in political support to the democratic opposition to Mr. Saddam. Some of it would be used to revive cooperation agreements among disparate opposition groups. Another portion would go for leadership training of these groups.

• \$5 million to be used to establish a Radio Free Iraq that would broadcast in Arabic from a U.S. government-owned facility in Kuwait.

• \$3 million to fund an effort to get the United Nations to approve an international criminal tribunal for "indicting, prosecuting and punishing Saddam Hussein and other Iraqi officials responsible for crimes against humanity."

Noting that bringing the Iraqi leader to justice for war crimes has been a stated goal of the Clinton administration since 1993, the proponents see the legislation as pushing the State Department into trying to persuade the UN Security Council to approve such a tribunal.

The public section of the ruling is based in main part on the classified information and analysis in the 92-page classified decision.

The Iraqis' lawyers, Neils Frenzen and Daniel Levy, do not have the proper clearance to obtain a copy of the decision. "How do you appeal a decision you can't read?" Mr. Frenzen asked.

Mr. Levy said Tuesday that "we never knew what was in the record, we never knew what the case was about, and we still don't know."

Under the law and the facts of the case, the lawyers said, their clients must be deported to their country of origin — Iraq — unless Attorney General Janet Reno finds another nation willing to take them.

The judge's decision can be appealed within 30 days to an immigration board or a federal appeals court panel. That appeal could take years. The men remain in a detention center in Los Angeles, separated from their wives and families.

John Salter, the Los Angeles district counsel for the Immigration and Naturalization Service, which prosecuted the case, confirmed that the judge had ruled but said he could not comment.

The six Iraqis said in interviews last year that they had worked with two resistance groups, which received tens of millions of dollars from the Central Intelligence Agency and worked to undermine Mr. Saddam. The secret plot collapsed in the summer of 1996, after Mr. Saddam arrested Iraqi officers working secretly for the resistance and sent tanks, troops and secret police to crush a CIA base in northern Iraq.

The six jailed men were among a group of 600 Iraqis who fled to Turkey in August and September 1996. That group, along with 5,500 other Iraqis and Kurds, was evacuated by the United States to the island of Guam. When they went to California, the Iraqis were imprisoned, although their wives and children were allowed to settle.



Students shouting protests at troops Wednesday at the Jakarta gates of the Social and Political Science Institute.

## SUHARTO: Indonesian Opens Term With Belt-Tightening Call

Continued from Page 1

too low," said Anna Alamudi, 21, a law student at the University of Indonesia in Jakarta. "Our struggle is until we achieve total reform in this country."

Mr. Suharto, Asia's longest-serving leader, came to power in 1965 following what was described as an aborted communist coup. He set the country on the path to economic reform, and the standard of living improved dramatically. In the meantime, however, his six children, other family members and close associates amassed billions of dollars through the system of patronage that Indonesians have come to revile.

In his inauguration speech Wednesday, Mr. Suharto acknowledged that "some of us may lead an affluent life."

"But as a nation we can no longer

afford to lead an extravagant life," he said. "During the present hardship, we need precisely a stronger solidarity, a sense of sharing the same fate and destiny."

Mr. Suharto has been locked in a stand-off with the International Monetary Fund over the terms of its \$43 billion bailout. The Fund said last week that it was delaying the latest \$3 billion payment until April, apparently because of Mr. Suharto's reluctance to carry out the economic reforms he promised.

Several Indonesian officials indicated this week that the government might choose to forgo the bailout if it felt as though it was being unduly pressured to carry out measures it considered unsuitable and potentially destabilizing.

Mr. Suharto hinted at this himself in his inauguration speech, saying, "New

powers are emerging in the international scene, especially in the economic area."

"Nations are developing themselves with a view to attaining progress and prosperity," he said, adding: "On the one hand, we encourage changes that lead to peace, prosperity and progress of all nations. On the other hand, we prevent events that may lead to an unjust and insecure world."

### Currency Rating Downgraded

Indonesia's foreign-currency credit rating was cut late Wednesday by Standard & Poor's Corp., which cited mismanagement of the economy. Bloomberg News reported from New York. Indonesia's local-currency rating was also cut, and the country remains on watch for another possible downgrade, S&P said in a statement.

## Polls Show Government May Survive In Denmark

COPENHAGEN — Denmark's center-left government seemed headed for a surprise victory in a general election on Wednesday, with an early projection confirming the findings of an exit poll.

An official projection based on 12 percent of votes counted pointed to 50 seats for Prime Minister Poul Nyrup's coalition of Social Democrats and red-green leftist parties.

The opposition center-right bloc would get 35 seats.

A Gallup exit poll of some 3,000 voters, issued after voting had ended on P.M., also indicated that the center-left coalition was heading for a new four-year term.

Whoever wins, Denmark's next government must prepare for a referendum in May on enlarging the European Union, and EU leaders will be watching anxiously to see who will be in power to handle that vote.

But the campaign centered more on domestic than foreign issues, with rightist and center-right parties seeking to capitalize on a sense among some Danes that the country's non-European foreigners — forming less than 4 percent of the population, are increasingly becoming a burden on Denmark's welfare state.

The exit poll gave the Rasmussen camp 89 seats in Parliament as against 86 seats for the center-right.

The projections and the exit poll are contrary to a steady trend in recent opinion polls, which had indicated a slim majority for the Liberal-Conservative center-left bloc led by former Foreign Minister Uffe Elleman-Jensen. "Exit polls usually prove correct, but it is still a very close race," the political science professor Lars Bille said on Danish TV.

But the election may yet be so close that voters in the Faroe Islands and Greenland, which each send two members to the Parliament, will decide the outcome. Results from Greenland are not due until early Thursday.

Neither the exit poll nor the projections included these four parliamentary seats. Analysts said they expected two or three of these legislators to side with the center-right, while one or two would back the center-left.

Mr. Rasmussen said earlier as he voted that the final result might not be known until all votes had been counted. "We will probably have to wait for a photo finish," he said.

The preliminary results indicated that Danes had kept to the habit of dividing their ballot among up to 10 parties. This has made minority coalitions relying on fringe groups the norm.

The new Parliament is due to convene on March 25.

Financial markets expect a new cabinet to tighten fiscal policy to rein in an economy showing signs of overheating and to combat a looming current account deficit, which would have to be financed by foreign borrowing.

## PILOTS: Facing Punishment

Continued from Page 1

mander, the U.S. Army general Wesley Clark, senior American military officials have made clear their preference for keeping the matter in U.S. hands.

In such a case, the decision on whether to court-martial any of the crew members or apply some other punitive measure would fall to Lieutenant General Peter Pace, who commands Marine forces in the Atlantic. Marine officials said General Pace would most likely order a review of the case to determine if the men should face criminal proceeding and, if so, on what charges.

### Italy Pursues Its Own Inquiry

The Prowler's four-man crew, on temporary assignment at Aviano from the Marine Air Station at Cherry Point, North Carolina, is also the target of a civilian investigation by Italian authorities, The Associated Press reported.

The crew members, who have been grounded since the accident, could face serious charges if investigators say they were negligent.

Then Italian lawyer suggested earlier that the plane's altimeter might have malfunctioned, but subsequent tests reportedly showed that it was working.

The accident stirred strong anti-American feelings in Italy, especially when the Aviano base was less than forthcoming at the outset with Italian investigators.

## CARS: In South Korea, Abuse for Foreign-Auto Owners Revs Up

Continued from Page 1

damage to the car, be said.

The plea for tolerance came, somewhat paradoxically, even as Samsung Motors, the country's newest car maker, said it was close to a partnership deal with Ford Motor Co. of the United States. Samsung said its chief executive offices was flying to Detroit for "serious talks" with Ford officials aimed at persuading Ford to invest in the company.

Samsung Motors, which introduced its first cars to the Korean market last week, said its chief executive officer, Lee Dae Won, would meet Wayne Bookner, Ford's vice chairman, "to work out details of a strategic partnership" that might include anything from production of Ford's World Car through Samsung to joint production and distribution of automobile parts.

The contrasting images of rejection of foreign products and eagerness for foreign investment reflected two sides of Korea's struggle to extricate itself from economic turmoil that shows no real sign of abating in the coming months.

The anti-import drive mingles elements of patriotism and nationalism, as did the campaign to collect gold jewelry for foreign exchange, while providing a glimpse into the isolationism of this historically closed society.

Fearful that such sentiment might grow much worse as unemployment rises to more than 1 million in a work force of 21.7 million, the car dealers appealed to Koreans to stop blaming them for their troubles.

"The hostile sentiment comes from a misconception of the situation," said Mr. Yoon. "Foreign cars are not damaging but contribute to the economy

through investment and employment. Nor did Mr. Yoon see any possibility that foreign cars would penetrate more deeply into the market. With foreigners now buying 80 percent of the foreign cars on the market here, he did not "really expect to maintain or even boost our market share in the middle of an overall economic recession."

The recession has forced Korea's "big three" manufacturers, Hyundai, Daewon and Kia, to slow down or suspend production lines. Domestic sales last month fell below 100,000, down from 188,790 in February 1997, said the Korean Automobile Manufacturers Association. Overall car sales this year are expected to be well below the 1997 figure of 2,813,000.

Foreign car dealers suggested that Koreans adopt a long-range approach toward the competition from abroad.

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Polls Show  
Government  
May Survive  
In Denmark

## Killings Spark Unrest in West Bank

*A Fatal Chapter Calls for 'Clashes' With Settlers and Security Forces*

By Joel Greenberg  
New York Times Service

DURA, West Bank — As three Palestinian laborers killed by Israeli soldiers were given a martyrs' burial here and violent protests spread in the West Bank, Israeli Army officers struggled on Wednesday to prevent the gathering crowd from spinning out of control.

The killings at an army checkpoint on Tuesday seem to have ignited long smoldering anger among Palestinians over a month-long deadlock in peace efforts. Stone-throwing clashes spread from Hebron to the laborers' village of Dura, as well as to the cities of Bethlehem and Ramallah.

In Hebron, soldiers fired rubber-coated metal bullets at rioters who hurled rocks, bottles and firebombs, and 16 Palestinians were wounded, two seriously. An additional 10 were reportedly wounded in Ramallah, one by a Jewish settler who opened fire when his car was pelted with stones.

Israeli Army officers held urgent meetings with their counterparts in the Palestinian police in an effort to put a lid on the violence, but mounting frustra-

tion among ordinary Palestinians, including followers of Yasser Arafat, the Palestinian leader, seemed to be reaching the boiling point.

Mr. Arafat has limited himself to condemning the killings as "a big crime" and has made no public calls for protest. But the Hebron chapter of his movement, Fatah, published its own leaflet Wednesday calling for "clashes with the gangs of settlers and occupation forces everywhere and with all means" on Thursday. The statement accused Prime Minister Benjamin Netanyahu of Israel of "blowing up" peace efforts, and labeled him "a malicious racist."

Marwan Barghouti, the head of Fatah in the West Bank and a member of the Palestinian legislative council, said that the latest killings had aggravated growing despair during months of stalemate in peace efforts.

"There is deep disappointment in the hearts of the Palestinians," he said in an interview on Israeli Army radio.

"I expect that something will happen," he said. "I don't know if it will be this week or tomorrow morning, but if the peace process continues at a dead

end, if it deteriorates and there is no process, then certainly, if there's no peace, there's violence."

Similar warnings were in evidence at the funeral of the three laborers, whose bodies were brought back to their village in a cortege led by Palestinian police jeeps flying Palestinian and black flags.

In Nablus, Palestinian policemen suspended joint patrols with Israeli troops for four days, and said they would also stop coordinating with Israel to allow the entrance of Jewish students who attend a seminary in Nablus. Israeli authorities evacuated the students, Israeli Army radio said.

The Israeli leader called Mr. Arafat on Tuesday evening to express his condolences.

The shooting occurred Tuesday evening at an army roadblock when a van carrying Palestinian workers returning from jobs in Israel tried to bypass a line of cars waiting at the roadblock.

The army said soldiers opened fire after the van struck and injured one of the soldiers. A Palestinian passenger said troops began shooting after the van sped up to prevent another car from cutting in front of the vehicle.

## Algiers Forces Said to Kill 146 Militants

The Associated Press

ALGIERS — Security forces sweeping through a western region wracked by recent massacres have killed 146 Muslim militants in recent days, a newspaper reported Wednesday.

Among the 24 people killed in the latest clash overnight Sunday were two leaders of a local band of the Armed Islamic Group, Kaddour Taoui and his son Hachemi, an independent daily newspaper, *La Tribune*, reported.

The newspaper, quoting unidentified

sources, said troops in the area of Sidi Bel Abbes, 440 kilometers (260 miles) west of Algiers, had killed "146 terrorists," referring to the Islamic militants who have been fighting a 6-year-old insurgency.

The authorities did not confirm the operation, though there have been reports of new massacres of civilians in the region.

Hundreds of people were killed there in January.

Meanwhile, a top leader of the Is-

lamic Salvation Front being held in the United States was among 17 people convicted in absentia Tuesday and sentenced to death, a judicial source said Wednesday.

Anwar Haddam, head of the group's parliamentary delegation, has lived in the United States since 1993. He was taken into custody in December 1996 after his visa expired, and has been fighting deportation.

Five other sentences — three for 12 years in prison and two for five years — were handed down to militants who were convicted Tuesday.

Four others were acquitted, the source said.

Defense lawyers have accused state prosecutors of relying solely on police accounts for evidence.

The five suspects were among 26 members of the Islamic Front for the Armed Jihad who have been tried for attacks on an Algerian politician, a union leader, artists and intellectuals.

More than 75,000 people have died in the insurgency that flared up after the military-backed government canceled parliamentary elections the Front was expected to win.

The party had promised to fight corruption and high unemployment.

## Dutch Speakers Build a Database Dike

The Associated Press

AMSTERDAM — Linguists in the Low Countries, alarmed at the steady encroachment of English, are launching a quiet revolution to dislodge more Dutch.

Following in the footsteps of the fiercely protective French, who for years have crusaded to preserve the language of Molière, linguists from the Netherlands and Belgium will begin compiling a 10-million-word electronic database of spoken Dutch.

Organizers say the project, set to get under way in July, is aimed at preserving the language in the workplace and the European Union.

The database, which is expected to be completed within five years, will be used to develop voice-activated machinery, such as computers and dictation devices, that can respond to oral commands given in Dutch.

Unless Dutch machines are manufactured, English machines will become standard in the workplace.

Acting on recommendations from Pete Peterson, the U.S. ambassador to Vietnam and others, Mr. Clinton asked Congress to exempt Hanoi from the Jackson-Vanik Amendment, which prevents normalized economic relations with a Communist country unless it permits free emigration.

The waiver will enable U.S. companies to qualify for a series of federal programs, including govern-

## UNITA Is Legalized

LUANDA, Angola — The Angolan government turned the former rebel UNITA movement into a full-fledged political party Wednesday, lifting all bans on its activities.

The Government of Unity and National Reconciliation declared that "all obstacles banning UNITA activities have been lifted" and that the movement "may exercise its activities across the whole of the territory."

The National Union for the Total Independence of Angola, known as UNITA, said Friday that it had demobilized its surplus military forces in line with a 1994 peace accord. (AP)

## Saudi Denies Report

DUBAI, United Arab Emirates —

An unidentified Saudi royal court official denied reports that King Fahd underwent surgery for a gall bladder infection, the official Saudi Press Agency reported Wednesday.

The official called Fahd's condition "reassuring" and said the king did not require surgery, the agency said.

Officials at the King Faisal Specialized Hospital in Riyadh had said the king underwent emergency gall bladder surgery there Monday. (AP)

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Yes, Enlarge NATO

Full-scale hearings on NATO enlargement produced a U.S. Senate Foreign Relations Committee vote on March 3 of 16 in favor of admitting Poland, Hungary and the Czech Republic, and two opposed. Support is bipartisan and spans most of the political spectrum. Some of those on the short side wish to delay a final vote for further study — of an issue that has been under scrutiny for more than five years. More reasonably, others wish a focused one-day debate prior to consideration of ratification.

The core issue remains what it has always been. Should America push its security frontier into the formerly Moscow-ruled territories liberated by the end of the Cold War? We share the pro-enlargement view that it is a fitting, prudent and desirable exercise of U.S. power to shelter the new democracies in an arc whose instability has repeatedly meant chaos, repression and war.

The contrary, anti-enlargement view is that such a reach would commit the United States to boundless new troubles and overwhelm Russia's pursuit of democracy, to boot.

The skeptics rightly set demanding standards for American assumption of a major new international responsibility. But supporters wield a powerful strategic case. To the common benefit, enlargement serves the stability of the region lying between an unpredictable Russia and the doughty but exposed new democracies of Central Europe. Enlargement has a further unique advantage: It keeps faith with people and values that Americans deeply prize. To ask countries emerging from decades of enforced subordination to Moscow

to continue resting their international orientation on the unwanted wishes of Moscow is to us unthinkable.

The new Russia is not the old Soviet Union. But it is not yet the new Russia of its own high aspirations, either. Already, NATO, to accommodate Russia, has made structural changes so far-reaching and so favorable to Moscow as to stir serious apprehensions of "dilution" of the alliance. Russian officials pocket these gains and ask for more. Attentiveness to Russian political priorities is all very well, but there is a point at which the soliciting — Russian or American — of deference to a Russian "psychological factor" verges on the frivolous.

The Senate action may center on amendments. John Warner would mandate a three-year pause after the first three new members are taken in — a shackles on executive flexibility. Daniel Patrick Moynihan would link a candidate's NATO membership to its prior accession to the European Union — a proposal that Europe has already in effect rejected by its accession stall. John Ashcroft would restrict NATO's geopolitical reach — a matter properly given to alliance consultation. Ted Stevens would reduce the American share of alliance costs.

Getting the Europeans to ante up is fair enough, but other proposed amendments have grave defects. The test is whether an amendment allows the United States and its allies — the secure democracies — to shelter the insecure democracies in a Europe with the best chance it has ever had to become whole, prosperous and free.

— THE WASHINGTON POST.

## Choice for Puerto Rico

In a historic move, the U.S. House of Representatives narrowly passed a bill last week to give 3.8 million Puerto Ricans the right to vote on whether the island should retain its current commonwealth status, seek statehood or become independent.

The United States-Puerto Rico Political Status Act, sponsored by Representative Don Young of Alaska, requires that a vote be held on the three options by the end of this year. If either statehood or independence receives a majority, the president and Congress would be asked to develop a transition plan, and give final approval to a status change within 10 years. If none of the options receive a majority vote, the current status would be unchanged, and another referendum would be held within 10 years.

Both the Republican and the Democratic platforms have long supported Puerto Rican self-determination. Yet Congress has repeatedly failed to give islanders a say on their political status. With House passage of the bill, its future now depends on Trent Lott, the Senate majority leader, who has been unenthusiastic about the issue. The Senate would dishonor democratic values by shelving this bill.

Puerto Rico was acquired by the

United States 100 years ago as spoils from the Spanish-American War. Its residents are American citizens who have been subject to the draft and federal laws. But they do not pay federal income taxes, do not elect members of Congress and cannot vote for president.

The diminished status does have support among islanders who worry that statehood would jeopardize the island's distinctive heritage.

But language issues and other important questions can be addressed when Puerto Ricans debate their choices. The proposed bill would allow them to decide their future with the assurance that Congress would not ignore the result.

In a 1993 nonbinding plebiscite, 48 percent of Puerto Ricans voted for commonwealth status, and even if islanders vote for statehood or independence, Congress would be able to manage the transition.

In any case, the Senate would be wrong to prevent political self-determination for American citizens when it supports that right for people elsewhere in the world.

— THE NEW YORK TIMES.

## Other Comment

## Israel's 'Bargaining Chips'

The [Israeli] Supreme Court has again ventured down a slippery slope in the area of human rights. Through the court's repeated backing, administrative detention has become a routine phenomenon, and as a result hundreds of Palestinians are being held in prolonged captivity without trial, under pretext that they pose a threat to local security. Now the Supreme Court has put its stamp of approval on a new disgrace.

In a ruling handed down four months ago and partially made public last week, it has authorized the continued detention of Lebanese citizens who have been imprisoned for many years, simply because they can be "bargaining chips" in an effort to locate and release [Israeli] soldiers who are captive or missing in action.

One disgrace leads to another. The ground has now been cleared for the unlimited detention of foreign nationals even when the state acknowledges that they do not represent a security threat.

In its fight against organizations that oppose the occupation of Lebanon, Israel has adopted its enemies' methods: kidnapping hostages and keeping their identity secret. When it comes to Arabs, Israel is an avid jailer.

The prolonged occupation of the territories has already corrupted Israel's

moral character beyond recognition. The occupation of South Lebanon has corrupted it even more.

— Gideon Levy, commenting in *Ha'aretz* (Tel Aviv).

Last November, in a decision that has become known only in recent days, a panel of the Israeli Supreme Court ruled that the detention of the Lebanese is permissible. However "grave and painful" a violation of human rights they are suffering, said the justices in a 2-1 decision, their captivity is justified by Israel's security needs and its continuing efforts to win the return of Israeli servicemen missing in Lebanon. In short, the justices sanctioned the seizing of Lebanese to be used as bargaining chips.

This is as wrongheaded and immoral a decision as any high court in a democratic country is likely to make. It approves state hostage-taking for political ends. It implicitly allows indefinite detention without charges.

The rationale is protection of national security. But of course that is the rationale used in Iraq or Syria or Iran to ignore human rights and assert the primacy of the state over the rights of the individual. In the name of security against terrorism, Israel has co-opted the tactics of the terrorists.

— Los Angeles Times.

## Does the Security Council Need a Demonstration?

By Max Jakobson

**H**elsinki — As the search for foreign-bid weapons resumes in Iraq, there is time before the inevitable next crisis to focus attention on the larger issue of what can be done to prevent the spread of instruments of mass destruction. Saddam Hussein is not the only dictator who should be stopped.

The idea of using air strikes originated in the White House well before the present occupant was born. It was in May 1942, at a dinner given by President Franklin D. Roosevelt in honor of Vyacheslav Molotov, foreign minister of the Soviet Union.

Roosevelt told his guest that he thought "the United States, Russia, England and possibly China should police the world and enforce disarmament by inspection after the war."

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— THE WASHINGTON POST.

Itself in charge of international peace and security, empowered to order economic sanctions or "take such action by air, sea or land forces as necessary to maintain or restore international peace and security."

The idea of disarming the small states was of course abandoned. "The eagles must let the smaller birds sing," Winston Churchill advised his colleagues, adding that the eagles need not take much notice of what the smaller birds might be singing. But only the Five Policemen were licensed to carry nuclear weapons. Later, biological and chemical weapons were banned.

During the Cold War, the ban on nuclear weapons was enforced once by the method recommended by Roosevelt in 1942. It was done by the Israeli air force, which in 1980 destroyed a French-built nuclear reactor in Iraq.

Biological or chemical weapons are more elusive targets.

The Iraqi invasion of Kuwait finally roused the Five Policemen to take action. It was a rare moment in history. The five powers, each for its own reasons, found it in their interest to support, or at least not oppose, military action by the United States and its allies for the purpose of freeing Kuwait.

The Soviet Union under Mikhail Gorbachev joined in, to prove its cre-

dentials as a member of the world community. The Chinese leaders abstained from using their veto, so as not to exacerbate the diplomatic boycott they had been subjected to since the Tiananmen massacre in 1989. The British acted in the spirit of their special relationship with the United States. The French made their usual detour before lining up with the West.

Today the configuration of interests is different. In Western countries, politicians have no stomach for military action that could cause significant casualties in their own ranks or "collateral damage" on the other side. Russia and China, never squeamish about use of force in their own interest, assert their independence by opposing military action by the "sole superpower."

The United States thus is like a magnet that both attracts and repulses. The other four governments determine their position less on the merits of the case under discussion than by the state of their relations with the United States.

The role of the UN Security Council, too, varies within the context of the shifting relations among the five permanent members. It serves sometimes as a scapegoat when things go wrong, or provides an alibi for inaction. Its resolutions are often as obscure and ambiguous as were the famous pronouncements of the Delphic oracle.

The exact meaning of the recent Security Council resolution on arms in

spection in Iraq will not be known until the next crisis, at which time relations among the five powers may or may not be different from what they are now.

What is clear is that only the Security Council can confer legitimate moral authority upon any military action, and that the secretary-general can serve as a credible negotiator on behalf of the Council only so long as all permanent members recognize his legitimacy as representative of what the Hammarskjold called the detachment of the lesson of the latest Iraq crisis.

Will the Five Policemen at last recognize the value of the Security Council as a tool for constructive action instead of using it as an arena for battle among national egos? That record does not support optimism.

The governments of the major powers have been reactive, not constructive. Bosnia is a case in point. A massacre in the center of Sarajevo was needed to mobilize an international force capable of putting an end to the war.

Do we now need a real-life demonstration of the horrifying effects of biological or chemical weapons to maximize the Security Council's effective action?

The writer, a former Finnish ambassador to the United Nations, contributed this comment to the International Herald Tribune.

## Halabja, 10 Years On: Still Poisoned in Body and Spirit

By Christine Gossen

**L**IVERPOOL — On March 16, 1988, an Iraqi military strike subjected Halabja, a Kurdish town of 45,000 in northern Iraq, to bombardment with the greatest attack of chemical weapons ever used against a civilian population.

The chemical agents used were a "cocktail" of mustard gas (which affects skin, eyes and the membranes of the nose, throat and lungs), and the nerve agents sarin, tabun and VX.

The chemicals drenched the people's skin and clothes, affected their respiratory tracts and eyes and contaminated their water and food.

Many people simply fell dead where they were, immediate casualties of the attack. Estimates put the deaths at about 5,000.

A few were given brief and immediate treatment, which involved taking them to the United States, Europe or Iran. The majority of them returned to Halabja.

Since then, no medical team, either from Iraq, Europe or America, or from any international agency, has monitored either the short- or the long-term consequences of this chemical attack.

Gwynne Roberts, a film director, made the award-winning film "The Winds of Death" about the attack in 1988. I saw this film, and it had a tremendous effect on me.

Gwynne revisited Halabja

last year, and was concerned that many of the survivors seemed very ill. He could not understand why no one had tried to find out what was happening to them. He convinced me that this was something I had to do.

Why would a female professor of medical genetics want to make a trip like this? I wanted to learn and to help. This was the first time that a terrible mixture of chemical weapons had been used against a large civilian population. I wanted to see the nature and scale of the problems these people faced, and was concerned that in the 10 years since the attack no one, including the major aid agencies, had

visited Halabja to determine exactly what the effects of these weapons had been.

I was worried about possible effects on congenital malformations, fertility and cancers, not just in women and children but in the whole population.

I also feared that there might be other major long-term effects, such as blindness and neurological damage, for which there is no known treatment.

What I found was far worse

than anything I had suspected. These chemicals seriously affected people's eyes and respiratory and neurological systems.

Many became blind. Skin disorders which involve severe scarring are frequent, and many

progress to skin cancer.

Working in conjunction with the doctors in the area, I compared the frequency of conditions such as infertility, congenital malformations and cancers (including skin, head, neck, respiratory system, gastrointestinal tract, breast and childhood cancers) in those who were in Halabja at the time with an unexposed population from a city in the same region.

We found that the frequencies in Halabja are at least three to four times greater, even 10 years after the attack.

An increasing number of children are dying each year of leukemias and lymphomas. The cancers tend to occur in much younger people in Halabja than elsewhere, and many people have aggressive tumors, so that mortality rates are high. No chemotherapy or radiotherapy is available in this region.

I found that there was also a total lack of access to pediatric surgery to repair the major heart defects, heart lip and cleft palate or other major malformations in the children. This meant that children in Halabja are dying of heart failure when children with

the same heart defects could have had surgery and would probably have survived in Britain or the United States.

It was agonizing for me to see

beautiful children whose faces were disfigured by hair lip and cleft palate, when I know that skilled and gifted surgeons correct these defects every day in North America and Europe.

The neuropsychiatric consequences are seen in human tragedy oozing every street, in almost every house and every ward of the hospital. People weep and are in great distress because of their severe depression, and suicidal tendencies are alarmingly evident. The surgeons often have to remove bullets from people who have failed in their suicide attempts.

Many people have neurological impairment or long-term neuromuscular effects. Most people cannot afford even the cheapest treatment or drugs, and so are reluctant to come to the hospital. At present, even for those with life-threatening conditions, there is no effective therapy for any of these conditions in Halabja.

The findings of serious congenital malformations with genetic causes occurring in children born years after the chemical attack suggest that the effects from these chemical warfare agents are transmitted to succeeding generations.

Miscarriage, infant deaths and infertility mean that life is not being replenished in this community.

The people hoped that after the attack they could rebuild the families and communities that had been destroyed. The inability to do so has led to increasing despair. Their lives and hopes have been shattered.

One survivor described being in a cellar with about a hundred other people, all of whom died during the attack. Not only do those who survived have to cope with memories of their relatives suddenly dying in their arms, they have to try to come to terms with their own painful diseases and those of their surviving friends and relatives.

President George Bush drew a "red line" at Kosovo early in the Yugoslav war when it was feared that Serbian ethnic cleansing there might draw Albania, Macedonia, Greece, Bulgaria and Turkey into a general Balkan conflagration. Mr. Milosevic, much involved in Bosnia, respected it for a time.

But now he has gone on the warpath against a newly active Kosovo guerrilla movement. It draws local support because people are fed up with waiting for their nonviolent leadership to produce improvement. They had placed their hopes in "pressure" from the "international community." They have a point in saying that their plight is noticed only when they start to fight for themselves.

This time there has been at least a political response from the major powers, although none support the Kosovo wish for independence. How they expect to pacify Kosovo while respecting Serbia's insistence on undiluted sovereignty remains to be seen. At least they are not pretending anymore that the danger of war will go away by itself.

When a "right of interference" should be exercised is a post-Cold War question affecting whether there is to be some order or new disorder in an inescapably interdependent world. It is a matter of how consistently politics can be brought to promote principle.

— Flora Lewis

the same heart defects could have had surgery and would probably have survived in Britain or the United States.

A radio broadcast was made the day before our arrival, people who were ill to come to the hospital to record their problems. On the first day, 700 people came; 495 of them had two or more major problems. The cases we encountered were extremely sad.

The people of Halabja need immediate help. There is a need for specialists (such as pediatric surgeons), equipment and drugs. Even more basic is the need for heat, clean water and careful efforts to safeguard them against further attack.

We have to realize that this is very little medical or scientific knowledge about how to treat the victims of a chemical weapons attack like this effectively. We need to listen, think and evaluate with skill, since many of these people have had exposures to strange, combinations of toxic gases. They have conditions that have not been seen or reported before.

We have virtually no knowledge about how to treat the problems resulting from these terrible weapons, which have been used to more inhumane effect than ever before. The pictures beamed around the world after the attack in 1988 in newspapers and on television were horrifying. One picture was of a father shielding his twin sons from the attack.

The status in the road to Halabja is based on that picture. This is not a traditional state of someone standing proud and erect, captured in stone or bronze to represent man triumphant and successful, but of a man prostrate and agonized, dying

## OPINION/LETTERS

## Refighting an Iraqi War That Never Really Ended

By Jim Hoagland

CHICAGO — It is akin to asking Michelangelo what he would change on the Sistine Chapel ceiling. Or demanding of the other divine Michael (as in Jordan) how he could improve his jump shot. Who quarrels with subtlety in art or athletics?

But such questioning is possible and advisable in war. War is a messy, imperfect trade, a series of inadequately informed guesses investigated by thrusts sealed in steel and fire. The generals and admirals who practice the trade — even the architects of that most glittering military campaign, Operation Desert Storm — are willing to confront what they would do differently if they could.

I listened recently to a group of senior officers who planned and directed the six-week war against Iraq do just that. They gathered here to discuss the flaws they could identify in retrospect in their campaign, which ended seven years ago this month. They met in the shadow of one more inconclusive U.S. confrontation with Saddam Hussein, the brigand Desert Storm failed to unsaddle.

From an operational perspective, very little went wrong," said retired General Walt Boomer of the Marines in a view largely endorsed by the officers and military historians assembled by the U.S. Naval Institute at the McCormick Tribune Foundation's military museum in Cantigny, Illinois.

But as General Boomer compared notes with other retired commanders there — Admiral Stanley Arthur, Lieutenant General Charles Horner of the air force and Lieutenant General John Yeosock of the army — doubts emerged that are not reflected in the war memoirs of the two generals who were their bosses, General Norman Schwarzkopf and General Colin Powell, the Joint Chiefs of Staff chairman.

The day's discussions exposed a picture of American misjudgments that have contributed to keeping Saddam Hussein in power. While the military overestimated the enemy's might, President George Bush underestimated the Iraqi's ability to survive if given just a little breathing room.

"There was an initial miscalculation about the strength and morale of the Iraqis," General Boomer said. "We might have

done some things differently" if the Iraqi collapse had been predicted, including moving on to Basra in southern Iraq.

The political misjudgment by Washington, which Admiral Arthur said sought to limit the damage inflicted on Iraq, was far more serious.

It became clear that the U.S. leadership wanted not to see Iraq's port facilities, its oil off-loading equipment and commercial shipping alone. "Admiral Arthur said, "No direct order was conveyed to him but the pattern of restraint was clear in the targets he was told to avoid." And Saddam was able to bootleg exports and imports through those ports ever since, he added.

The day's discussion also emphasized that coalition troops were not expected to destroy the army they were fighting. One battle objective was to leave Iraq with enough forces to defend itself against Iran, said a British general, Sir Peter de la Billière.

And when Iraq asked to fly armed helicopters as part of the cease-fire, General de la Billière said General Schwarzkopf was right to agree: "The Iraqis were responsible for re-establishing law and order. You could not administer the country without using the helicopters."

Law and order? From Saddam Hussein's troops? Spare Iraq's ports while fighting that nation? How does this relate to great military strategy?

The generals meeting in Cantigny were not simply refighting the last war. They were grappling with the strategic problem of the future of war.

That problem is the gap between the American military's vast destructive capacity and the limited ability of American leaders to use it, especially against outlaw regimes.

The American Goliath is loath to fight to complete victory in such a mismatch. Complete victory over a much weaker foe brings encumbering consequences for a moral nation.

America's unwillingness to accept the responsibilities of victory at the heart of the paradox of a brilliant military campaign that seven years later is politically unfinished.

*The Washington Post.*



## LETTERS TO THE EDITOR

## Resentment in Jordan

Regarding "Jordanians Vent Dismay with King" (Feb. 27):

This article reports that Human Rights Watch assailed the "marked deterioration in respect for basic freedoms" in Jordan after the government put some restrictions on the news media and on freedom of assembly. But the blame for this, despite what a few self-serving and politically myopic academics say, cannot be laid at the door of King Hussein.

When King Hussein experimented with democracy and political pluralism as far back as 1958, he was rewarded with an attempt on his life. His recent efforts to liberalize and open up politics are being eroded by the atavistic demands of a motley of yesterday's men with a fossilized vision of the world — Islamists, nationalists, Communists, or those with a severe dose of Israeli-phobia.

King Hussein, who is essentially a modernist and a liberal at heart, finds himself torn between the devil and the deep blue sea.

The Jordanians in Maan who went on the rampage in support of Saddam Hussein, one of the most brutal despots in Arab history, should count themselves lucky they do not live in Iraq, where they would have been gassed to death by their beloved idol.

It is precisely because they are fortunate enough to live in the most open state in the Middle East that they can protest the way they did and still go back home in one piece.

KAMAL TAWFIQ NIMRL  
Irbid, Jordan

## Despicable Journalism

Regarding "A Lesson From Fleet Street" (Opinion, March 4), by John Micklethwait:

I am appalled at Mr. Micklethwait's approval of British tabloid journalism that "is not especially fussy about facts."

Perhaps Mr. Micklethwait has forgotten that Senator Joseph McCarthy, who abused an important podium in the early 1950's, was not especially fussy about facts either.

Without a steady stream of carefully checked, fairly presented facts flowing through reliable journalistic media, it is difficult for voters to participate effectively in democratic government.

But perhaps that is precisely why British tabloids, and increasingly broadsheets, fill their

columns with "oewws" of bread and circuses.

B. PICCITTO  
Fercham, England

## Skating on Thin Ice

Regarding "Figure Skating May Be Lovely, but That Doesn't Make It a Sport" (Sports, Feb. 21), by Michael Wilson:

Mr. Wilson probably thought this was a clever piece of writing, but I found it just plain silly. Others might have found it insulting, particularly those who put in long hours preparing for competition.

The skating competition at the Nagano Games yielded nothing to, say, ice hockey in terms of physical exertion, drama and exuberance. Let Mr. Wilson go back to sports governed by stopwatch and goalposts, and let the rest of us enjoy a sport full of stamina, artistry and beauty.

RON POPESKI  
Bucharest

"Any time a man can be awarded a gold medal when he's dressed like a butterfly or dinner mint (here, I said it) isn't a sport" is one of the funniest things I have read in a sports article.

JULIA PECK  
London

## A Bitter Pill to Swallow: No Birth-Control Coverage

By Ellen Goodman

ATLANTA — Now for a brief conversation about the pill. Yes, that one, the oral contraceptive that was dropped into mid-century mores with such an impact that it was forever after known simply as The Pill.

Americans have discovered a new irony on the prescription:

## MEANWHILE

pad: The only pill your health insurance may not pay for is the one we call The Pill.

This is the crux of the new conversation about women's health and wealth. How did we get to a place where we treat birth control differently from all other health care?

The Georgia Legislature last month took up a bill that would make insurance companies pay for contraceptives if they pay for other prescription drugs. At the hearing, insurance lobbyists greatly outweighed women's health advocates and the bill was shuttled back to subcommittee. But this is an issue cropping up everywhere from Connecticut to California.

It has become a reality check for women coming through the fine print of their health policies. And it has become a like story to talk about preventing unwanted pregnancies and abortions.

Right now 97 percent of all large group plans pay for prescription drugs, but only a third cover oral contraceptives. Meanwhile, 65 percent of insurance plans pay for sterilizations, but only half pay for any contraceptives at all.

Historically, women have had a hard time getting reproductive health care into the medical mainstream. Margaret Sanger, after all, had to smuggle diaphragms into America in brandy bottles.

Insurance companies have also treated reproductive health, shall we say, differently. It took an act of Congress a generation ago just to get all of them to cover pregnancy.

More to the historic point, insurers favor treatment over prevention. They have only gradually begun to cover such things as annual exams and uterine-cancer tests. They cover what is "medically necessary" and in compa-

nies where sisterhood is not yet powerful, many believe that birth control is not necessary.

That helps explain why women of reproductive age pay 68 percent more than men in out-of-pocket expenses for health care. A big chunk goes to birth control. The pill alone can cost \$24 a month.

Some women are making hard economic choices between paying their bills and buying pills, says Senator Olympia Snowe, Republican of Maine. She is pushing federal legislation introduced last year by a "dream team" of anti-abortion and abortion-rights Republicans and Democrats. The Equity in Prescription Insurance and Contraceptive Coverage Act may get a hearing this election year. Meanwhile, Virginia has become the first state to pass legislation. California is in the wings and Alaska and Connecticut are likely to follow.

This movement has given family planning advocates a nice political jolt. As Gloria Feldt, president of Planned Parenthood, says: "A public that is very tired of arguing about abortion is more than ready to help prevent the need for it through family planning. It's not only a good issue for us, it's absolutely essential for women."

It has also flushed out the anti-birth-control opposition. The American Life League is fighting against the idea because it ignores the tragic physical, emotional and spiritual side effects of all contraceptives.

The remarkable part of this renewed conversation about the uninsured pill is how few women protested the hole in their coverage or their pocketbooks until now. We accepted the responsibility for the use, payment and failure of birth control.

As for the insurance companies? Half of all the pregnancies in Georgia are unintended. Insurers may hate mandates, but why not volunteer? The pill costs about \$300 a year; one birth costs about \$4,000. You do the math. As Ms. Feldt says, "they should be clamoring to pay for birth control."

Well, don't wait for the clamor. But in the end, the pill they'll swallow may not be such a bitter one.

*The Boston Globe*

## PARIS FASHION

## McQueen Makes Peace With His Heritage

By Suzy Menkes  
*International Herald Tribune*

PARIS — Whoever can cut it in French fashion wears the crown — and Alexander McQueen with his rapier-sharp seaming, armored silhouettes and steel-gray flannel is jousting for the throne.

The Givenchy collection that the 28-year-old British designer sent out Wednesday was powerful, aggressive and precision-cut with exceptional skill, and it addressed a woman who has lot of attitude. French attitude. Sheaths of buttery leather, suits with right-angle shoulders and stiletto heels are not for fashion's fainthearted. They are the antithesis of sporty American slouch.

But McQueen made the show work by force of character and sleight of hand. He did his own classics — the draped cowl necks, the Joan Crawford dresses and gowns wide and cuffed under sleek jackets. But familiar pieces were re-worked with complex seams to give a dress diamond inserts at the midriff or a zigzag of pattern pieces. Some of his warrior women looked a hit like Thierry Mugler's. But others — especially a black evening coat sculpted in airy fabric and the sleek jumpsuits — touch the design soul of Hubert de Givenchy.

After originally trashing the designer house he took over, McQueen has now made peace with his heritage, realizing perhaps that his own aesthetic corresponds to the linear grandeur of couture in its glory years.

So McQueen isn't really so modern?

His Givenchy clothes are classic with a modern edge, sharpened with silver nails, firmly upswep hairdos and electric blue flashes of sequins. You can love the look or leave it, but in three seasons McQueen has created a coherent look for Givenchy that in its hard-edged way is very haute couture.

So we have had hip couture and hot couture, but here's something you never thought to see on a Paris runway: hot couture.

The collection that Stella McCartney, another cool Brit, sent out for Chloe on Wednesday looked trashy, from its searing green and pink satin dresses, to the way they clung in all the wrong places. Add spiky heels and punk belts.

The fledgling designer compounded that with a campy, sex-pot presentation in which models stripped down to see through camisoles above pencil skirts.

Hooley chic has been used by designers from Mugler through the late Gianni Versace, but always with a basis of technique that makes a sheath fit like an hour glass and a slip snake across the body.

McCartney does not have those skills, although she can cut a mean pant and straight up-and-down tailoring. A whiff of the 1970s, in coats over flaring pants, although not new, looked cool. But the idea of showing a big collection in a huge tent, decked out with rose petals and mimosa, was like sending a spring lamb to the slaughter. The clothes certainly looked more spring than fall with light ruffled dresses and low necklines where bosoms were plonked like ice cream scoops.

There were some pretty, ultra-feminine outfits. But only in the finale, when the models came out holding hands like best buddies, did the clothes seem tailor made for sweet young things.

CONTRAST that with the subtle take on femininity by the Belgian Veronique Branquinho, one of the young designers who have created an alternative underground season to the official calendar.

Branquinho re-invented the skirt for a generation that has barely worn them. From a curved waistband, they broke into flat pleats that might be twisted from the thighs; others in leather had seams like umbrella spines. With skirts or long coats went turtleneck sweaters in clear colors — grass green, pink or white. It was a clean modern collection with no tricks — give or take the black gunshields.

Most of the new wave are in thrall to John Galliano or McQueen, but there were fluid, sexy pieces from Jerome Dreyfuss that made the collection his own. Olivier Theyskens, another Belgian, only 20 years old, had a dramatic haunted house background, but showed some refined tailoring using red-bordered and initialed tea towels.

The exhilarating energy and enthusiasm of the new arrivals contrast with



Givenchy's fur-collared jacket.  
Christopher Moore/Andrew Thomas

## LAID BACK IN HOLLYWOOD

By Patricia Medina Cotten, 228 pages.  
*Belle Publishing*, \$24.95, \$16.95 paper.

Reviewed by Carolyn See

THIS unaffected, unpretentious memoir by Patricia Medina Cotten, the widow of the film star Joseph Cotten, could serve as a companion piece to David Thomson's recent collection of essays on Hollywood life and art, "Beneath Mulholland: Thoughts on Hollywood and Its Ghosts." Both of these authors were born British. They are both educated, smart and seem well enough brought up. Both seem fairly sure they know the "real" Hollywood.

Thomson sees the town as a sinister city of mysteries: "Everyone lies!" he says, and states it as irrefutable fact.

She was and is no stranger to theatrical myths and places; she has great respect for the magical quality of her own life, as well as her husband's. Her first memories go back to before World War II, when she grew up carefree and privileged in an English country house where she was one of three sisters in a very happy family. She weathered the Blitz, got through the war, became the actress Patricia Medina, married a pleasant English actor, came to Hollywood, got divorced, began to make a living and built a life.

She lived in a hovel at the fabled Garden of Allah, had a couple of lovers, went to wonderful parties, gabbled about the world making some of those big '50s movies that got filmed on the European continent with multilingual casts. She did some time as a straight contract player with the big Hollywood studios, but that wasn't much of a success.

Louis B. Mayer forgot about her entirely, and her dark dresses assured her a string of roles as a run-of-the-mill bad girl in fairly forgettable films.

She spoke several languages, was very beautiful and managed to be somewhat always very well known but never really famous. Why didn't she become a bigger star? On Page 46 she blames it on not taking Samuel Goldwyn's advice to go to Hollywood. More to the point, on Page 76 she writes: "It never occurred to me that I should have helped myself and worked at becoming known like most of these famous actresses that I was re-creating and enacting."

A business associate accused her of being too "laid back," of not caring sufficiently. Still, she worked with Rex Harrison, Jimmy Stewart, Alan Ladd, James Mason, Orson Welles, Glenn Ford and, of course, Joseph Cotten.

When the Garden of Allah was torn down, Medina moved across the street to the Chateau Marmont, even in those days a racy place, and made friends with Fred Astaire, David Niven, Cole Porter. She was a self-described woman about town, always getting into scrapes with men who wanted her luscious body and — since it was the puritanical '50s — always a little hit miffed about the state of her reputation. She was always seeming to be losing a piece of clothing or surprising someone who'd lost a piece of his clothing, always laughing — which sets the true, clear tone of this book.

A birthday party for Olivia de Havilland, for instance, was given in an authentic Japanese restaurant because de Havilland was born in Japan. Halfway through dinner, after platters of daunting raw fish, someone impudently whispered, "I can't help but wish she'd been born in Paris." Medina got the giggles, then kicked someone so hard with her bare foot that she broke her toe. These were her halcyon days, and her sense of frank enjoyment, great good fortune, is as authentic here as a good gold necklace.

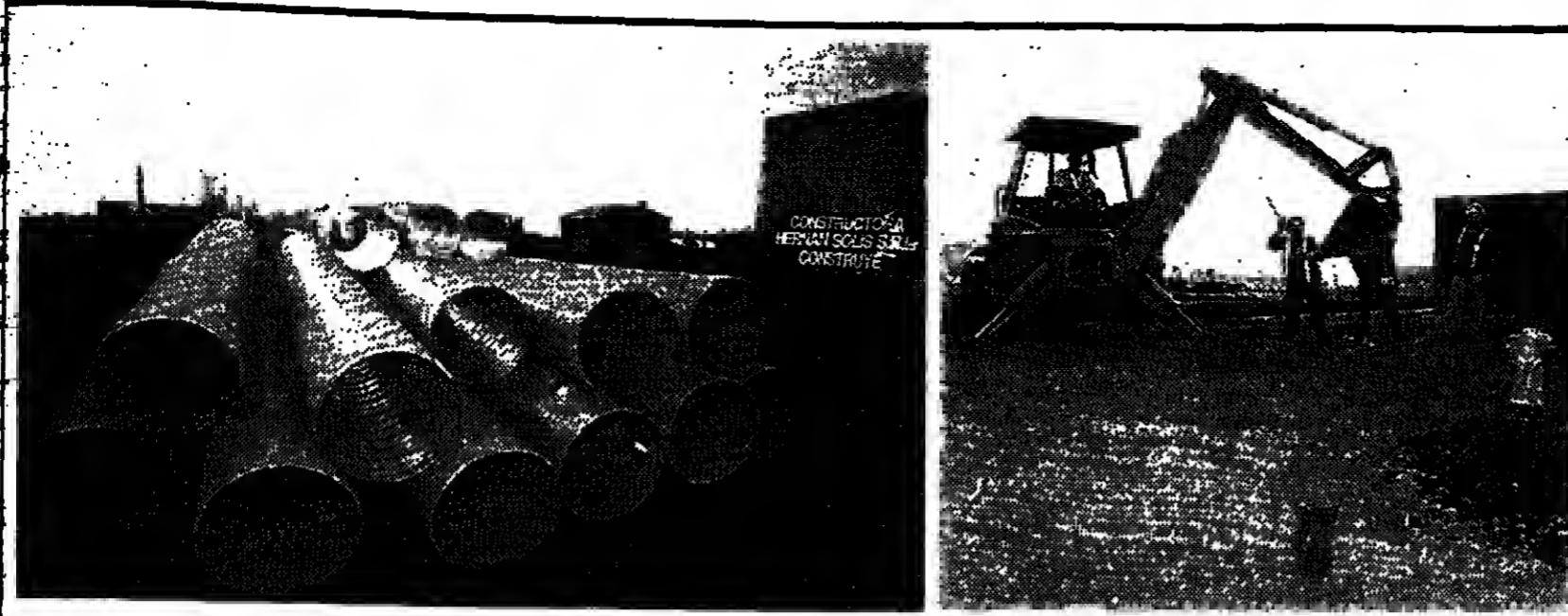
Theo, partly through Welles, Medina renewed a friendship with Cotten, whose

wife had recently died. David O. Selznick badgered them into marriage; his wife, Jennifer Jones, arranged the wedding at their house.

So, on this happy and contented real-life wavelength, Patricia Medina and Joseph Cotten married, worked together, kept up with their circle of friends, met each other's families, traveled widely. They didn't have to ponder the myths and deceptions of Hollywood; they were part of its real life. Then, after some years of happy marriage, Cotten had a massive stroke: He would live 13 more years, weathering rehabilitation, throat cancer and more rehabilitation, and hospitalizations in Palm Springs and Los Angeles.

He and his





The construction site for Intel Corp.'s new \$500 million complex is located just outside San Jose. Intel considered a number of other countries.

## Costa Rica's New, High-Tech Place in the Sun

*As Economy Moves Away From Traditional Exports, a Tropical Silicon Valley Emerges*

By Serge F. Kovaleski  
New York Times Service

**SAN JOSE, Costa Rica** — These may be the waning months of President Jose Maria Figueres's administration, but he has not let up in his courting of foreign high-technology companies as part of this nation's drive to become the Silicon Valley of Latin America.

Mr. Figueres, for instance, has been conducting meetings every two weeks with a dozen or so executives of overseas high-technology firms that already have established a presence here to discuss their experiences doing business in Costa Rica.

Accompanied by a team of investment experts, Mr. Figueres also visited the United States last month to meet with corporate officers, including Bill Gates of Microsoft Corp. and executives from such other blue-chip companies as Boeing Co. and Hewlett-Packard Co.

One of the world's biggest computer-equipment makers, Hewlett-Packard recently announced that it would open a new customer-support office here that would be geared to its corporate clients, which include Intel Corp., Motorola Inc., Epson and DSC Communications.

Costa Rican officials decided 15 years ago to transform the nation's economy from one based on traditional export staples such as coffee, bananas, sugar and beef, to one centered on computer chips and services. Judging by export estimates for this year, the transition is far along.

For the first time, according to government figures, Costa Rica is expected to earn more from high-technology exports in 1998 than from bananas or coffee or even its lucrative tourism industry. Buoyed by investment by such companies as Intel, sales of technology goods abroad should reach \$1 billion, a threefold increase over last year's levels, making Costa Rica the largest exporter of such equipment per capita in Latin America.

"This is a country that is at the turning point of its evolution toward integrating into the world economy," said Eduardo Alonso, general manager of the Costa Rican Foreign Trade Promotion Office. The office oversees the nation's free trade zone, in which 150 overseas companies operate.

Long considered an anomaly in a part of the world that has been rife with poverty, social chaos and corruption, Costa Rica has used its unique status as a cornerstone of its marketing push to

highly skilled workforce that reflects a population with a 95 percent literacy rate.

Although funding for such social programs has been reduced over the last decade because of Costa Rica's large internal debt, Mr. Figueres recently announced an ambitious plan to provide all elementary and high school students with their own e-mail addresses by the end of this year. The administration is leaving office at the beginning of May, but funds for the project have been arranged through the World Bank, the Inter-American Development Bank and the United Nations.

The political and economic stability in Costa Rica has been a big draw for corporations, as has its socialized medical system and the general quality of life in a nation where 93 percent of the inhabitants have electricity.

But many of the low-wage industries, such as textile and garment factories, that fled to Costa Rica during the civil wars that ravaged much of Central America have relocated to places like El Salvador, Nicaragua and Guatemala as peace was restored in those countries. The main reason for

secure investors. After abolishing its army nearly a half-century ago, the country has pumped large sums of money into education, creating a highly skilled workforce that reflects a population with a 95 percent literacy rate.

See COSTA RICA, Page 17



## INTERNATIONAL MANAGER

### WorldCom and MCI: Common Links but Worlds Apart

By Seth Schiesel  
New York Times Service

**NEW YORK** — When the directors of MCI Communications Corp. and of WorldCom Inc. dined together Tuesday evening, the contrast between the two boards was stark.

"The MCI board is much older, more corporate almost; it has two women and an African-American," said one person who was present where the dinner was held, at MCI's headquarters just down Pennsylvania Avenue from the White House. "It's like you'd think a board would look like."

"The WorldCom board is all entrepreneurial-type guys that came with the acquisitions," the person said. "The difference is almost funny."

The challenge of integrating the cultures of two such different companies — one a brash newcomer to the upper echelons of the telecommunications world, the other a sometime rebel that joined the establishment — is just one of the potential hurdles in the pending MCI-WorldCom merger.

Analysts said those hurdles were not likely to block the acquisition altogether. But they could throw bumps in the path of a deal that would produce one of the world's most powerful communications companies.

That company was to start to take form Wednesday, when the companies proposed directors of the new company.

Executives who spoke on condition of anonymity said that so far, the lineup consisted of 17 people: six officers from the combined corporation, eight outsiders appointed by WorldCom and three outsiders appointed by MCI. The proposed board would include at least one person who is not now on the board of either company.

The shareholders of the two companies were scheduled to hold separate votes on the deal after the board announcement. Each was to be held far from the hotel in midtown Manhattan where Bernard Ebbers, WorldCom's chairman, and Bert Roberts Jr., his counterpart at MCI, announced their \$37 billion pact in November.

Later Wednesday, WorldCom shareholders, meeting in Jackson, Mississippi, approved the acquisition of MCI, clearing one of many hurdles, Bloomberg News reported.

MCI's shareholders, were meeting in South Sioux City, Nebraska. But even if both votes are romps in favor of the deal, as expected, the agreement to merge will remain just that — an agreement, not a reality — for at least a few more months.

Regulators in Europe and the United States have deepened their inquiries into the antitrust implications of the deal because both MCI and WorldCom are major carriers of internet traffic.

The two companies generally contend that the retail and wholesale, or

"backbone," Internet markets should be considered a single market for the purposes of antitrust consideration.

In that case, the combined companies would control around 20 percent of the industry. But Jeff Keefe, an associate professor at Rutgers University's management school, said, "If you believe that there is a separate Internet backbone provider market, WorldCom-MCI would control somewhere between 48 and 68 percent of that market."

People close to the Justice Department's antitrust division, which is conducting the primary investigation of the deal, said the department was likely to demand that the combined MCI-WorldCom either divest itself of some of its Internet assets or assure the government that competitors would be granted fair access to the company's systems.

There is no formal timetable for the department to finish its review, but people close to the investigation said it would probably be a few months before the department's antitrust chief, Joel Klein, decided what to do.

The length or intensity of a Justice Department investigation is, by itself, a little indicator of its eventual outcome. The department subpoenaed crates of documents during its nine-month inquiry into the merger of Bell Atlantic Corp. and Nynex Corp. In the end that deal sailed through without challenge.

In the case of WorldCom and MCI, analysts and people close to the investigation said, the department is likely to try to change relatively minor contours of the combined company rather than attempt to scuttle the deal altogether.

Some analysts think MCI-WorldCom's greatest asset with regulators is the combined companies' potential to take on the regional Bells in local telephone markets.

"The government thinks that the enemy of my enemy is my friend," said Scott Cleland, a telecommunications policy analyst for the Legg Mason Precursor Group in Washington. "And the government's real enemy are the Bells. The regulators are more interested in breaking up the local monopoly than in long-distance competition."

If it were not for MCI's running up unexpectedly large losses in its local operation last year, the company would probably be a part of British Telecommunications PLC by now.

The British carrier pressed MCI to renegotiate the companies' merger accord last year after learning of the losses. That opened the door for WorldCom.

Merging with either company would have been a cultural journey for MCI. But WorldCom is a very different sort of partner because it has made its reputation mainly on mergers and cost-cutting rather than on the quality of its telecommunications services.

"WorldCom is especially strong at running an acquisitions machine," said Mark Bruneau, president of the communications and computing unit at Renaissance Worldwide, a consulting firm. "MCI is especially strong at running a phone company. And those are very different skills."

## CURRENCY & INTEREST RATES

Cross Rates									
March 11	1	2	3	4	5	6	7	8	9
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
British pound	0.6737	0.6737	0.6737	0.6737	0.6737	0.6737	0.6737	0.6737	0.6737
Canadian dollar	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057
French franc	545.00	545.00	545.00	545.00	545.00	545.00	545.00	545.00	545.00
German mark	0.6452	0.6452	0.6452	0.6452	0.6452	0.6452	0.6452	0.6452	0.6452
Italian lira	1,2057	1,2057	1,2057	1,2057	1,2057	1,2057	1,2057	1,2057	1,2057
Swiss franc	0.8029	0.8029	0.8029	0.8029	0.8029	0.8029	0.8029	0.8029	0.8029
Yen	125.94	125.94	125.94	125.94	125.94	125.94	125.94	125.94	125.94
Other	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057

Other Dollar Values

Per \$	Per 100	Per 1000	Per 10000	Per 100000	Per 1000000
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000
British pound	0.6737	67.37	673.70	6737.00	67370.00
Canadian dollar	1.2057	120.57	1205.70	12057.00	120570.00
French franc	545.00	54500	545000	5450000	54500000
German mark	0.6452	64.52	645.20	6452.00	64520.00
Italian lira	1,2057	1205.70	12057.00	120570.00	1205700.00
Swiss franc	0.8029	80.29	802.90	8029.00	80290.00
Yen	125.94	12594	125940	1259400	12594000
Other	1.2057	1205.70	12057.00	120570.00	1205700.00

Forward Rates

March 11	30-day	45-day	90-day	180-day	270-day	360-day
U.S. dollar	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057
British pound	0.6737	0.6737	0.6737	0.6737	0.6737	0.6737
Canadian dollar	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057
French franc	545.00	545.00	545.00	545.00	545.00	545.00
German mark	0.6452	0.6452	0.6452	0.6452	0.6452	0.6452
Italian lira	1,2057	1,2057	1,2057	1,2057	1,2057	1,2057
Swiss franc	0.8029	0.8029	0.8029	0.8029	0.8029	0.8029
Yen	125.94	125.94	125.94	125.94	125.94	125.94
Other	1.2057	1.2057	1.2057	1.2057	1.2057	1.2057

Source: BNP Paribas; Banque de France; Paribas; Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Other data from the Associated Press, Bloomberg and Reuters.

March 11	30-day	45-day	90-day	180-day	270-day	360-day



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Hit New Highs  
ual Funds Swe

## VW Team, Weighing Bid, Is Said to Visit Rolls-Royce

Compiled by Our Staff From Dispatches

FRANKFURT — Volkswagen AG, long ago about its interest in taking over Rolls-Royce Motor Cars Ltd., appeared on Wednesday to be seriously considering making a bid as it emerged that top management had visited the British carmaker.

Sources in Germany and Britain said that Ferdinand Piëch, the Volkswagen chairman, and the Lower Saxony premier, Gerhard Schroeder, who also sits on VW's supervisory board, had visited Britain on Saturday to gather information on Rolls in advance of a possible bid.

Mr. Schroeder is a member of the supervisory board of Volkswagen because

Lower Saxony holds slightly more than 20 percent of the capital of the luxury-car manufacturer.

The chairman of Rolls-Royce Motors, Graham Morris, and Mr. Piëch know each other well because until the end of 1996 Mr. Morris was the head of sales for Audi, a subsidiary of VW, the Bild newspaper reported.

The German carmaker BMW AG has so far been the only company to state clearly that it would bid for Rolls-Royce. Volkswagen has said that it was studying whether it would make an offer.

Although at least one round of bids for Rolls-Royce must be submitted to its owner, Vickers PLC, before shareholders decide who

will take over the company, Bild reported that VW was close to closing a deal.

The newspaper said the price for Rolls-Royce would be from 750 million to 1.2 billion Deutsche marks (\$410 to \$656 million).

Industry sources in Britain confirmed that Mr. Piëch and Mr. Schroeder had been at Rolls over the weekend, but they stressed that the meeting was not the first between Rolls and senior management from a prospective bidder.

The chairman of Vickers, Sir Colin Chandler, who put Rolls up for sale late last year, said last week he did not expect any bids to be made for several weeks while prospective

buyers signed confidentiality agreements and scrutinized the company's books.

"The process is still ongoing," a Vickers spokesman said. "It is running according to plan and we have a good level of interest."

A BMW spokesman said Wednesday that it was still looking at the company.

"BMW is still interested," the spokesman said. But he also said that BMW had alternatives to Rolls that would allow it to enter the luxury limousine market.

At the Geneva car show last week, the BMW chairman, Bernd Pischetsrieder, said the company was most interested than ever in taking over Rolls, but that he would make only one offer. (Reuters, AP)

## 2 Italian Banks Join Forces as Euro Gets Near

Compiled by Our Staff From Dispatches

MILAN — Banca Popolare di Brescia and Banca San Paolo di Brescia SpA said Wednesday that they were combining, creating one of the largest northern Italian banks, in preparation for the single European currency.

In a stock swap worth about 2.3 trillion lire (\$1.28 billion), Popolare Brescia shareholders will get one share in the new company for every share owned, giving them a 53 percent stake. San Paolo shareholders will get one share for every three held, a discount of about 4 percent based on closing prices Tuesday. Management and the board of the company will be split evenly between the two banks.

The banks, which began talks in December, are the latest to consolidate in a bid to bulk up ahead of the single currency, which will eliminate financial barriers between the 11 nations likely to use the currency starting Jan. 1.

"Brescia is one of the richest cities in Italy," said Andrea Mancadori of Milla & Co., "so these two banks know how to compete in what has become one of the most difficult markets."

The two banks will have 27 trillion lire's worth of assets.

Popolare Brescia shares closed down 742 lire to 24,135 and San Paolo fell 398 lire to 8,248. (Bloomberg, Reuters)



IS THAT YOUR OFFICE? — David Hermann, head of Adam Opel AG, getting a pointer Wednesday from Chancellor Helmut Kohl at the German automaker's new Russelsheim headquarters.

## Lufthansa Net Climbs

Compiled by Our Staff From Dispatches

FRANKFURT

Lufthansa AG said Wednesday that its 1997 net income rose 45 percent, beating forecasts, helped by alliances with other airlines, cost cuts and a weaker Deutsche mark.

Shares of Germany's dominant airline surged more than 5 percent after Lufthansa said net income rose to 800 million Deutsche marks (\$436.9 million), on a 10.7 percent increase in revenue, to 23 billion DM.

Cost-cutting and alliances with other airlines have been

central to Lufthansa's efforts to cope with growing competition in the airline industry. The airline's partnerships added more than 300 million DM to earnings in 1997.

Lufthansa also benefited from a stronger dollar, which rose 16 percent against the Deutsche mark in 1997.

The airline said it would raise its dividend to 90 pfennig per share, from 50 pfennig in the previous year.

Shares of Lufthansa closed Wednesday in Frankfurt at 39.05 DM, up from 37.

The banks did not put a figure on the potential short-term impact of the merger. But they reiterated earlier forecasts that the new merged bank could post a consolidated profit of 10 billion to 11 billion Swiss francs (\$6.71 billion to \$7.38 billion) by 2002.

UBS posted a group net loss of 129 million francs after a 1996 loss of 5 million francs that followed charges for restructuring and loan-loss provisions, which all three big Swiss banks took in 1996 to clear a backlog of bad loans and reduce domestic overcapacity.

The banks posted a combined restructuring charge of 7 billion francs against 1997 results.

UBS reported a loss of 248 million francs after a restructuring charge of 2.8 billion francs to cover the merger. It had reported a 1996 loss of 1.96 billion francs after restructuring charges and loan-loss provisions. Operating profit rose 17 percent, to 4.57 billion francs.

UBS's investment-banking arm, SBC Warburg Dillon Read, said it barely broke even in the second half of 1997, as plunging Southeast Asian currencies and markets hurt profit.

Profit fell to 20 million francs in the second

The parent company did not publish profit for SBC Warburg in 1996. The bank's full-year profit fell 15 percent, to 711 million francs, SBC said.

SBC's shares closed Wednesday at 505 francs, down 2. UBS' shares closed at 2,364 francs, up 17. (Reuters, AFP, Bloomberg)

## WORLD STOCK MARKETS

Wednesday, March 11

Prices in local currencies.

Telkoms

High Low Close Prev.

Amsterdam AEX Index 1,997.92

Previous: 1,997.92

High Low Close Prev.

ABN-AMRO 45.00 45.00 45

AEGON 65.26 65.26 42.70

Afko Nederland 65.62 65.62 44.70

Akzo Nobel 44.52 43.69 42.70

Alfa Laval 43.20 43.20 41.50

ASR Verz 14.49 14.49 14.49

Baupl. Co. 90.70 88.29 88.29

Baupl. Ind. 11.10 11.10 11.10

Baupl. Inv. 10.70 10.70 10.70

### **Wednesday's 4 P.M. Close**

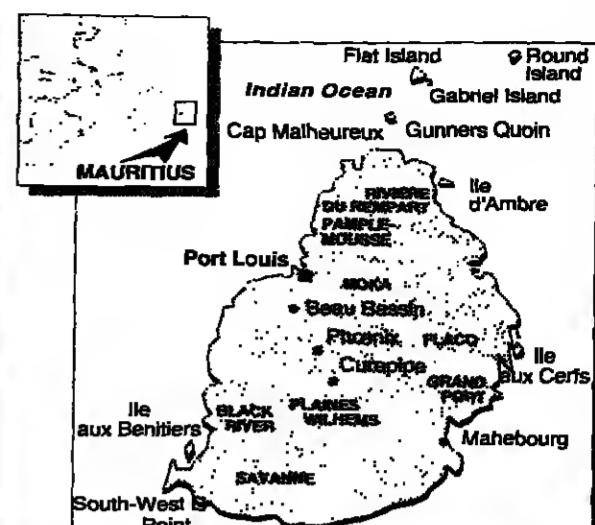
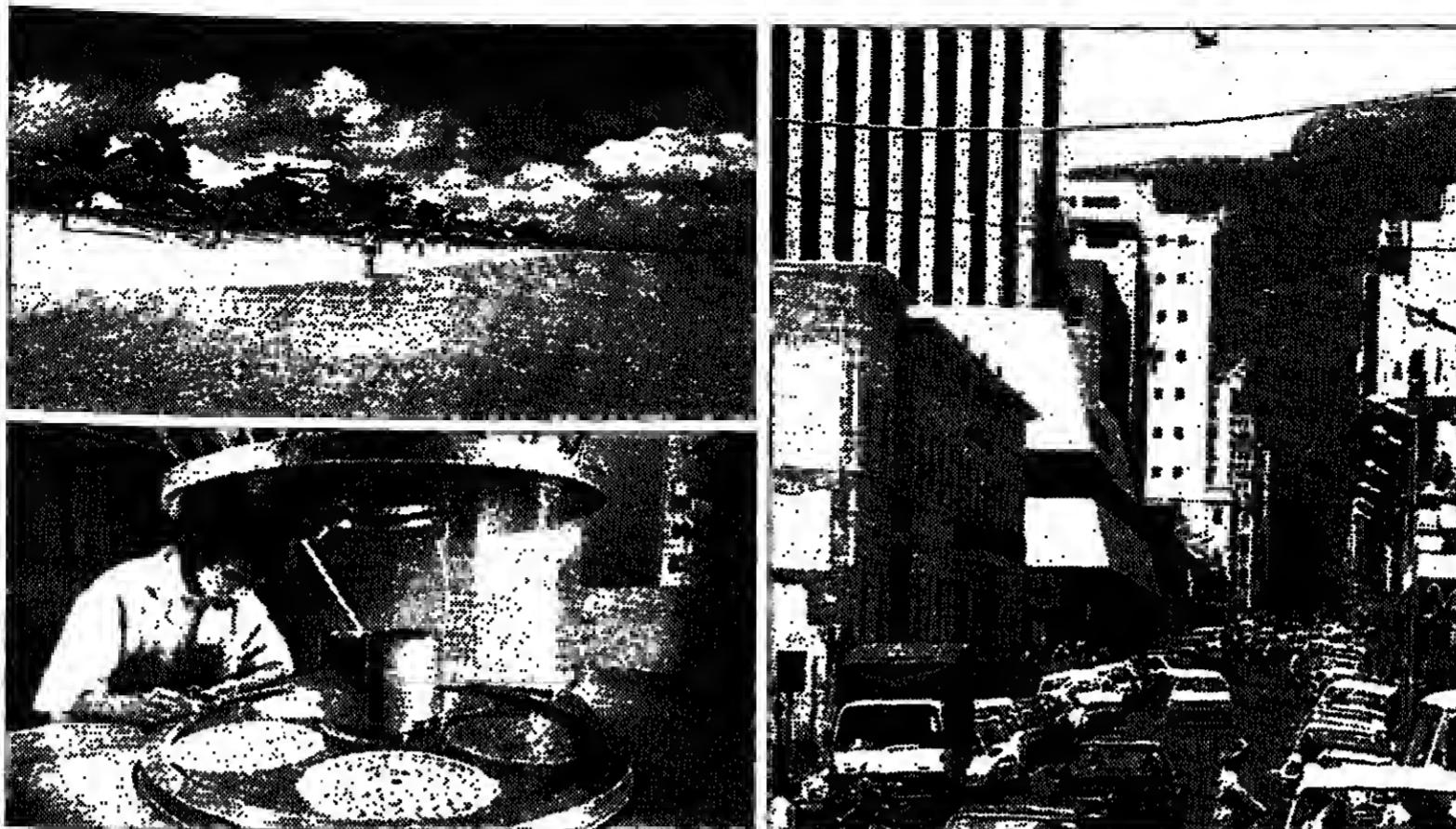
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
The Associated Press.

*The Associated Press.*

-- 12 Month				SIS					
High	Low	Stock	Div Yld	PE	100s	High	Low	Latest	Chg

# MAURITIUS

The Island of Mauritius is uniquely situated to do business with Africa, Europe and Asia. The diversity of its business partners has shielded the Island from the turmoil affecting some Asian countries. Mauritius is a mixture of cultures, and its inhabitants speak both English and French. In addition, it is a pleasant place to live, with good climate and little crime. Clockwise from top left: a place in the sun for everyone, the financial district, the electronics industry.



## AN ISLAND ECONOMY THAT CAN WEATHER CURRENCY STORMS

*Because Mauritius has commercial relationships throughout the world, the Asian currency crisis is not battering this island.*

**I**solation brings its own rewards. The Indian Ocean island of Mauritius, having weathered the immediate effects of the Southeast Asian currency crisis, looks set to sustain its economic performance of recent years, with steady growth and low inflation. A dynamic combination of agriculture, industry, tourism and financial services is helping to keep the island economy afloat, even thriving.

Mauritius — dubbed by a Western trade official as “the up-and-coming Singapore of the Indian Ocean” — maintains a balanced mix of trade and investment partners, including two subcontinental giants, India and South Africa. Business relations with India are developing rapidly, and the recent visit of Mauritian Prime Minister Navin Ramgoolam to South Africa was evidence of a close and growing partnership between two economic leaders in the Southern Africa Development Community (SADC).

But the Far Eastern crisis

is stimulating a new debate about economic strategies for Mauritius, not least because the development policies of the Southeast Asian tigers “have been a source of inspiration for other countries across the world,” as Minister of Finance Vasant Bunwaree said at a recent conference in Port Louis. One of the lessons of the crisis, he says, is that countries must now pay greater attention to factors affecting investor confidence, including good management and effective regulation.

**Established reputation**  
At a conference to be held in Mauritius at the end of March, Chris Patten, former governor of Hong Kong, will talk about the “Hong Kong recipe,” drawing attention to the potential benefits of providing efficient financial services for rapidly developing regions. Although economic analysts doubt that either India or Southern Africa can match the growth prospects of China, Mauritius is already a well-re-

garded financial services center for both these regions — and even for China itself.

Thanks to its overlapping special relationships with Asia, Africa and Europe, Mauritius has avoided being hurt by major changes in the world economy and has found ways to reap many benefits from increasing globalization. It helps that the country has an established reputation for high quality and efficiency in its three principal sources of income: sugar, textile manufacturing and tourism. With healthy economic growth of 5 percent last year, low single-digit inflation and modest foreign borrowing, Mauritius has a record of growth that is unparalleled in the African region.

**Eye on the future**  
The key issue now is how to sustain this growth into the future. In the opinion of economic commentators, maintaining the performance of the past three decades will require a firm hand in applying the emphasis on ef-

iciency in the private sector to the public sector.

“Courage will be required if the Mauritian miracle is not to peter out,” says Noah Beckwith, an economist with special knowledge of the country.

**Biting the bullet**  
Reform is proving a hard bullet to bite at a time when Mauritius has new concerns about unemployment. At 6 percent, unemployment is low by world standards, but it could become a serious political issue if the figure rises. Although expansion of the key economic sectors continues to be impressive, the improving productivity of the sugar and textile industries means that they will not soak up the available labor. This leaves tourism, services and related infrastructure projects as the most likely sources of new employment in the years ahead.

The government has nurtured hopes that private investment flows can stimulate employment as the public sector scales down — hopes that were somewhat dented by the Asian crisis. But tourism is still booming, with 15 percent annual growth in the past two years, bringing the number of visitors to a record 550,000 last year. The government hopes to see continued growth in hotel and resort construction, even if the island has to lose its “exclusive” tag in the process as more middle-market hotels spring up around the coast. The authorities are nevertheless well aware that there is a limit to the number of visitors the island can accommodate without damaging either the environment or the quality of the tourist’s experience.

**Maximum impact**  
There is also vitality in the sugar industry. The country’s dominant agricultural crop is close to maximum output, having turned out 620,800 tons in 1997, but is not yet at maximum efficiency. The crop has recovered well from bad weather in the early 1990s, and attention is now being turned to pioneering research into cane varieties.

that were somewhat dented by the Asian crisis. But tourism is still booming, with 15 percent annual growth in the past two years, bringing the number of visitors to a record 550,000 last year. The government hopes to see continued growth in hotel and resort construction, even if the island has to lose its “exclusive” tag in the process as more middle-market hotels spring up around the coast. The authorities are nevertheless well aware that there is a limit to the number of visitors the island can accommodate without damaging either the environment or the quality of the tourist’s experience.

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planting techniques and irrigation.

Having had years of preferential access and guaranteed prices in the European market, the industry hopes to be fully prepared for the likely erosion of preferences early in the next century. In the process, Mauritius is developing the kind of sugar industry expertise that is much in demand in Southern Africa, especially Mozambique and Zimbabwe.

It is a sign of the times that Mauritius companies are increasingly venturing into countries like Madagascar, Mozambique and Tanzania with a view to providing both expertise and finance.

“We shall make sure that

Mauritian investment abroad

will have the maximum impact in terms of benefits to our country without damaging our own industrialization process,” says Mr. Bunwaree.

Mr. Bunwaree under-

scores the government of

Mauritius’ commitment to

SADC, the Common Market of East and Southern Africa (COMESA) and the Indian Ocean Commission — as

well as to the recently-

formed Indian Ocean Rim Association for Regional Co-

operation. •

## OFFSHORE BUSINESS IS A CENTRAL FINANCIAL PILLAR

*The island’s location makes it a link between Africa, Europe and Asia, and it has the ability to bridge the cultural gaps.*

**F**or Mauritius, offshore business is a fact of life. Tourism accounts for nearly a quarter of the country’s annual hard currency earnings, Port Louis is an important port for fishing fleets from all over the world, and the island community has strong links with Mauritius living abroad, in Europe, the United States, Australia and Southern Africa.

Offshore business has been the stimulus for a successful economic strategy that started in the 1970s with the Export Processing Zone. The strategy has come of age in the 1990s with the establishment of the Mauritius Offshore Business Activities Authority (MOBAA) and, most recently, the Mauritius Freeport Authority. Perhaps most important is the island’s network of double-taxation treaties.

The first major beneficiary of this innovative investment route has been the increasingly liberalized economy of India. Mauritius has become the registered home of about 40 active India-oriented funds, and the offshore banks based in Port Louis handle billions of dollars’ worth of investment funds for India every year.

As horizons have expanded, both China and South Africa have also come into the picture.

The offshore sector has survived the Asian economic crisis relatively unscathed.

“Ironically, events have operated in our favor,” says Mario Hennequin, deputy manager of Barclays Offshore Banking in Port Louis. “We have had increasing numbers of approaches from companies with previous substantial commitments in that area and who are now

looking to place their funds elsewhere.”

The anticipated passage through the Mauritian Parliament of strong anti-money-laundering legislation should do much to enhance the credibility of the country as a dependable channel. The banks are also working hard to diversify their products to suit the needs of the market.

For the time being, India looks set to remain the principal investment target for offshore funds moving through Mauritius, accounting for an estimated 75 percent of the resident offshore

banks’ business. “India has been a stepping stone in the development of the necessary financial infrastructure and competence in Mauritius,” says Bruno Lalanne of Hong Kong and Shanghai Bank’s Port Louis unit.

“China and South Africa are now the obvious targets, thanks both to double-taxation treaties and to good geography.”

An important factor in favor of Mauritius is its ability to bridge the gaps between the banking cultures of Asia, Africa and Europe as well as the language divide between English and French. For

Southeast Asians looking for opportunities in Africa, Mauritius is the obvious first stop.

While tax efficiency and good chemistry drive the fortunes of offshore finance, prospects for the new freeport are driven by geography. Exploiting the country’s position as a three-way access point between Africa, Asia

and Australia, this special duty-free zone provides facilities for light assembly, break-bulk repackaging and warehousing activities. The zone is serviced by an international merchandising center. The freeport’s turnover is surging; it has more than doubled each year and is forecast to exceed \$400 million this year. •

“MAURITIUS”  
was produced in its entirety by the Advertising Department of  
the International Herald Tribune.  
WRITER: Richard Syage, an Africa specialist based in  
Cambridge, England.  
PROGRAM DIRECTOR: Bill Maher.

## MAURITIUS FREEPORT

### The Indian Ocean Logistics Platform

The Mauritius Freeport is a customs duty-free zone located at the sea port and airport where goods can be imported, stored, processed and re-exported with minimum bureaucracy. The Mauritius Freeport offers to potential investors state of the art logistics facilities consisting of more than 55,000 square meters warehousing space, cold room facilities and an International Trade and Exhibition Centre.

Companies that set up storage, assembly and marketing activities at the Mauritius Freeport will enjoy these tangible benefits:

- A zero rate tax on the corporate profits
- Dividends not taxable
- Exemption from customs duties on all goods imported into the Freeport Zone
- Free repatriation of profits
- 100% foreign ownership
- Access to a regional market of 300 million consumers with an export potential of US \$45 billion through membership of the Common Market for Eastern and Southern African Countries (COMESA), the Southern African Development Community (SADC) and the Indian Ocean Commission (IOC)

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## Rashid Sets Accord to Purchase Sime Bank

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Financial services giant Rashid Hussain Bhd. has agreed to buy ailing Sime Bank Bhd., in Malaysia's biggest banking merger ever.

Rashid Hussain plans to buy Sime Darby's 60 percent stake in the bank as well as KUB Malaysia's 30 percent interest for \$82.4 million ringgit (\$218 million), Rashid Hussain said late Tuesday.

Rashid Hussain said that once the purchase was completed, it would merge Sime Bank with its own commercial banking arm, RHB Bank. Sime Darby will receive a stake in the merged entity.

Sime Darby is one of Malaysia's largest diversified companies with a wide range of interests, including in plantations and property.

Sime Darby did not say how much it would own in the new company but said the new company's shares would be priced at 2.50 ringgit each.

Executives at Sime Darby and Rashid Hussain were not available for comment.

The deal would be Rashid Hussain's second big takeover in a year and catapult RHB Bank Bhd. from third into second ranking among Malaysian banks, behind Maybank Bhd.

Rashid last year merged medium-sized Kwong Yik Bank with its DCS Bank to form RHB Bank.

The deal effectively saves Sime Darby, which announced a net loss of 676.2 million ringgit for the six months to the end of 1997, from having to inject at least 1.2 billion ringgit of fresh capital into Sime Bank to restore its health.

Analysts said Rashid appeared to have paid a premium.

"Both the depositors of Sime Bank and the shareholders of Sime Darby should be able to sleep well now," Jupiter Securities said in an analysis of the deal.

"We generally feel this is good for Sime Darby," a banking analyst said. "But Rashid is buying a mess."

The takeover also appears to mark an end to any possibility of a merger between RHB Bank and Bank of Commerce, owned by Commerce Asset-Holding Bhd. They had been in talks.

Sime Darby said it would have a loss of 246 million ringgit because of the sale of its bank stake.

Sime Darby shares have been suspended since March 3.

(AP, Reuters, Bloomberg)



### Cathay Pacific Airways Reports Lower Profits in '97

Peter Sutch, chairman of Cathay Pacific Airways Ltd., reporting Wednesday in Hong Kong that declining passenger loads and currency devaluations sent the company's net profit down 55.5 percent in 1997, to 1.69 Hong Kong dollars (\$218 million), on a 2.9 percent decline in revenue, to 30.65 billion dollars. The airline also posted a one-time loss of 347 million dollars in 1997, linked to provisions for severance payments.

## Soothing Comments From IMF On Indonesia Hearten Markets

Compiled by Our Staff From Dispatches

Seeking to defuse a confrontation with Jakarta, the deputy director of the International Monetary Fund, Stanley Fischer, said that he saw "room for flexibility" in negotiations over Indonesia's \$43 billion bailout.

His remarks Tuesday helped drive up stock markets Wednesday in East Asia, including Manila, Seoul and Taipei, as the rupiah and other regional currencies rallied on hope that a stand-off between Indonesia and the International Monetary Fund over economic reforms might be ending.

Mr. Fischer said the Fund was willing to adjust the targets Indonesia set for its budget deficit and monetary policy and also allow Jakarta to continue some basic food subsidies.

"For things which are essential for the poor, I'm sure the Fund would show considerable flexibility," he said.

The comments did not represent a substantial retreat by the Fund, as IMF officials have made clear for some time that Indonesia's economic program might have to be changed

to reflect the country's worse-than-expected economic outlook.

"That flexibility is just inherent in every IMF program," Mr. Fischer said.

But the conciliatory tone came after warnings by IMF and Clinton administration officials that the next installment of Indonesia's bailout is in danger because of President Suharto's failure to fulfill his promises to the Fund to eliminate monopolies and cartels benefiting his children and cronies.

The majority leader of the U.S. House of Representatives, Richard Arayne, said Congress might delay a vote to approve \$18 billion in funding for the IMF sought by the administration, in part because of Indonesia's lack of commitment to reform.

In an indication that his fellow Republican leaders were toughening their bargaining stance with the White House, the Texan said the funds probably would not be included in a supplemental budget bill scheduled for a vote soon.

Japan will urge Mr. Suharto this weekend to adopt IMF measures fully, a diplomatic source said. Tokyo announced Wednesday

that Prime Minister Ryutaro Hashimoto will travel to Indonesia this weekend for talks with Mr. Suharto about the country's economic crisis.

Mr. Hashimoto will convey the expectation of the Japanese government that Indonesia should implement the IMF program, the source said, "and at the same time make it clear that the Japanese government continues to support reform efforts by Indonesia."

Hong Kong stocks posted their biggest gains in almost two weeks, with the benchmark Hang Seng Index rising 2.02 percent, pacing the rallies in many Asian markets that followed the IMF comments.

The benchmark index in Singapore rose 2.06 percent.

The rupiah stabilized, with the dollar falling to 10,550 rupiah from 10,950 on Tuesday. But stocks were mixed in Jakarta, with the Composite Index rising 1.39 points to 491.87.

"People are still uncertain about what's going to happen in Indonesia, so they are turning their focus to selective stocks," said Kelvin Tang of Impac Asset Management (H.K.) Ltd. (WP, Bloomberg, Reuters)

Tokyo announced Wednesday

## Japan Surplus Surges as Yen Loses Ground

Compiled by Our Staff From Dispatches

TOKYO — Japan's current account trade surplus in January soared 212.8 percent from the same month last year as booming shipments to the United States and Europe helped offset a slump in exports to Asia, the Finance Ministry said Wednesday.

The surplus, which was not adjusted for seasonal factors, totaled 476.2 billion yen (\$3.74 billion). That was below a \$74.9 billion yen forecast by economists.

The latest numbers reflect the low demand for imports in Japan due to a sluggish economy and recent weakness in the yen's value against the U.S. dollar, which has made Japanese exports more competitive overseas. Japan has faced growing pressure from the United States and other major trading partners to trim its surplus by implementing economic policies designed to stimulate domestic demand.

The current account balance is the difference between income from foreign sources and foreign obligations, excluding net capital investment.

Japan's largest automobile, electronics and machinery makers are trying to take advantage of a weak yen and strong demand in the West while sales fall in other parts of Asia and the domestic economy slides.

"The financial crisis in Southeast Asia and the relative instability of the Japanese market have created uncertainty and a loss of business confidence in what was the fastest-growing region in the world," said Nobuhiko Kawamoto, president of Honda.

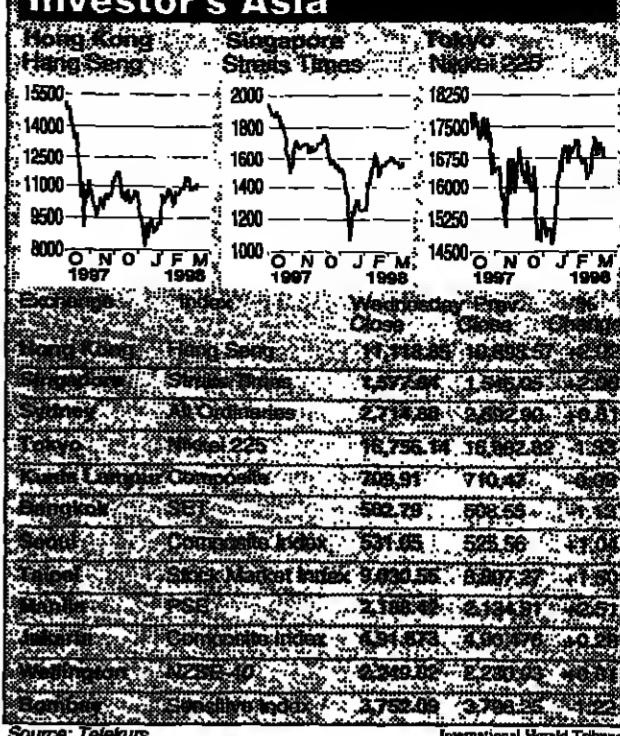
Trade friction has heightened with corporate Japan's strategy of increasing exports to the United States and Europe, where officials have continually called on Japan to bolster domestic spending and not rely on exports for growth.

Yet traders and others expect exports to the West to remain brisk as automakers and other assemblers continue to depend on overseas sales to offset a consumer spending slump at home.

The growth of Japan's surplus is being held in check by a decline in exports to Asia. More than 40 percent of Japan's exports are to Asia, and with the value of the Indonesian rupiah, the South Korean won and other currencies plunging, Japanese machinery, car and electronics makers are selling fewer of their wares in the region.

"There are indications the fall in demand following the currency crisis will be more prolonged than originally expected," said Katsuhiko Kawasoe, president of Mitsubishi Motors Corp. (AP, Bloomberg)

## Investor's Asia



Source: Telekurs

International Herald Tribune

### Very briefly:

• New Zealand's energy minister, Max Bradford, is expected to announce a government investigation into the blackouts and power cuts in Auckland that have lasted 20 days, as more than 600 companies prepared to sue Mercury Energy for compensation for business lost during the outages.

• Nomura International (Hong Kong) Ltd. said its portfolio managers would cease to manage the Epic Fund, Hong Kong-based hedge fund. Fifteen employees will be laid off.

• Bangko Sentral ng Pilipinas, the Philippines' central bank, ordered banks to raise their capital by as much as 75 percent within two years to strengthen their ability to withstand financial shocks.

• Mobil Sekinchan KK, the Japanese unit of Mobil Corp., reported a net loss of 6.8 billion yen (\$53.2 million) for 1997. It attributed the loss to a decline in sales of petroleum products and a loss taken on the introduction of an early retirement program, which cut its work force by about 20 percent.

• Standard & Poor's Corp. revised down the foreign currency rating outlooks of four major Chinese financial institutions — Industrial & Commercial Bank of China, Bank of China, Bank of Communications and China International Trust & Investment Corp. — citing strains from potential slower economic growth.

• Ryohin Keikaku Co., the operator of "Muji" stores in Japan, Britain, Singapore and Hong Kong, will report a 31 percent increase in current profit for the year ended on Feb. 28, to 7 billion yen, after shutting 10 shops and opening 26 bigger outlets.

AP, Bloomberg, Reuters

## Mitsubishi Share Skids On Prediction of Loss

Compiled by Our Staff From Dispatches

TOKYO — Shares of Mitsubishi Motors Corp. fell 13.8 percent Wednesday, a day after the company lowered sales estimates and sharply increased the projection of its first annual loss in 24 years.

Mitsubishi shares fell 65 yen Wednesday, to 405 yen. The company is the first of Japan's largest auto manufacturers to announce dramatically weaker financial results. Nissan Motor Co. has hinted to analysts that it will also turn in a worse-than-expected performance but has not yet officially revised its numbers. Toyota Motor Co. and Honda Motor Co. are expected to do well, and Mazda Motor Corp. has said that it will meet projections.

The announcement by Mitsubishi starkly illustrated the predicament of the country's automotive industry, which has suffered sharply reduced sales because of the Asian financial crisis and the economic slump at home. Mitsubishi has been further hurt because of its large heavy-truck business, an economically sensitive business whose only export market is Asia.

Mitsubishi said that austerity measures announced Tuesday — including plant closings in Thailand and New Zealand, a 12 percent reduction in its work force, and suspension of the dividend for the current financial year — were designed to save 350 billion yen (\$2.75 billion) over the next three years and return the company to profitability in the next financial year, which ends on March 31, 1999.

(NYT, Bloomberg)

## JAPAN: Central-Bank Chief Imperiled After Arrest of Official

Continued from Page 1

service said. Bank of Japan offices in New York and Washington had no comment on the report.

Some bankers worried that the financial system might become more vulnerable to sudden shocks if Mr. Matsushita resigns, while others were concerned about the attack on the bank's credibility.

"There is no case like this among any other central banks in the developed world," said an executive at a Japanese bank. "This is real insider trading."

The raid by prosecutors was the first

**The Solution**  
Imagine that you unwrap the cylinder and flatten it.  
12cm x 4cm  
  
Source: IEA Third International Mathematics and Science Study, 1995-96

This is the answer to the mathematical problem on Page 10.

## COSTA RICA: High-Tech Look

Continued from Page 11

moving was that wages in Costa Rica were too high.

Still, Costa Rica has developed a niche as a technology hub, one that in some respects insulates it from the changing political and social winds in the region. "We are building a competitive advantage and we do not see why we cannot continue to compete and be successful," said Enrique Egloff, director of the private-sector Coalition for Development Initiatives.

Technology companies are not the only ones that see advantages to operating in Costa Rica. "They can guarantee that investments will be safe, which allows you to concentrate on commercial issues like marketing, pricing and who is my competitor," said Jose Bonilla, finance manager for Monsanto Co. at its Central America office in Costa Rica, which handles the distribution of its herbicides, pharmaceuticals and sweeteners.

Executives point out that Costa Rica has been effective in touting the advantages of running complex businesses in a small country, where they have greater access to government officials than in many larger nations such as Mexico, Brazil and Chile.

"In Intel's eyes, Costa Rica showed us that small is beautiful," said Danilo Arias, public affairs manager for Intel. The Santa Clara, California-based computer-chip giant considered Mexico and a number of other countries before deciding to invest \$500 million in a new complex in Costa Rica — the largest investment to date in this nation by a single corporation.

Mr. Arias added that, overall, "The country has been very clever at looking at itself and evaluating its strengths and weaknesses."

These weaknesses include a pressing need for extensive infrastructure improvements.

## REPUBLIC OF LEBANON MINISTRY OF MUNICIPAL AND RURAL AFFAIRS COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION SOLID WASTE / ENVIRONMENTAL MANAGEMENT PROJECT INVITATION FOR TENDER CAZA OF ZAHLA

PACKAGE 8a: CONSTRUCTION OF A SANITARY LANDFILL  
The Republic of Lebanon has received a loan (No. 3899-LE) from the International Bank for Reconstruction and Development (IBRD) towards the cost of the Solid Waste / Environmental Management Project (SWEMP) for Lebanon and intends to apply part of the proceeds of this loan to cover eligible payments under the contract for the above mentioned package for the caza of Zahlia.  
The Government of Lebanon, represented by the Ministry of Municipal and Rural Affairs and the Council for Development and Reconstruction (CDR), invites sealed bids from eligible contractors for the construction of a sanitary landfill including earthmoving works, concrete works, structural steel works, and waterproofing works using geomembrane (HDPE) / geotextile. This project will be administrated by CDR, based upon the World Bank's guidelines. Contractors who have already undertaken similar projects are invited to apply for the above mentioned project and will be subject to Post Qualification according to the criteria stated in the bidding documents.  
Bidding documents may be purchased at the Council for Development and Reconstruction, Tallet el Serail, Beirut, Lebanon, phone : (961-1) 561431 / 2, facsimile : (961-1) 561494, for a non refundable fee of US\$ 500 (five hundred) or its equivalent in a freely convertible currency in the form of a bearer's certificate check in the name of the Council for Development and Reconstruction starting on Thursday 12th of March 1998. Interested bidders may obtain further information at the same address.  
Bids shall be valid for a period of 90 days after Bid opening and must be accompanied by a security of US\$ 50,000 (fifty thousand) or its equivalent in a convertible currency, and shall be delivered to : Council for Development and Reconstruction, Tallet el Serail, Beirut, Lebanon, on or before twelve o'clock (noon, Beirut local time) on Tuesday 28th of April 1998. Bids will be opened at twelve o'clock (noon, Beirut local time) on the same day in the presence of the bidders who wish to attend.

## LUXOR INVESTMENT COMPANY

Société d'Investissement à Capital Variable

10A, Boulevard Royal, Luxembourg

R.C. Luxembourg B 27-109

### NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of the shareholders of LUXOR INVESTMENT COMPANY will be held at the Registered Office in Luxembourg on Monday 23rd March, 1998 at 2 p.m. for the purpose of considering the following Agenda:

1. To resolve on the liquidation of the Company.
2. To appoint a liquidator and to determine his powers.
3. To suspend the calculation of the net asset value.
4. To suspend all subscriptions and repurchases of shares.
5. To convene an Extraordinary General Meeting which will rule on the following points:
  - i) approval of the liquidator's report;
  - ii) discharge to be granted to the liquidator, the auditor and the Board of Directors;
  - iii) resolution concerning the final liquidation of the Company;
  - iv) the keeping of accounts and company documents.

Proxy forms are available upon request at the Registered Office. In order to be valid, proxy forms duly completed must be received at the registered office on 20th March, 1998 at 2 p.m. at the latest. In order to attend the meeting, the owners of bearer shares are required to deposit their shares not less than five clear days before the date of the meeting at the Registered Office.

By order of the Board of Directors

## VICTOIRE ARIANE

20, Boulevard Emmanuel Servais, L-2535 Luxembourg

R.C. Luxembourg B 34 296

### AVIS AUX ACTIONNAIRES

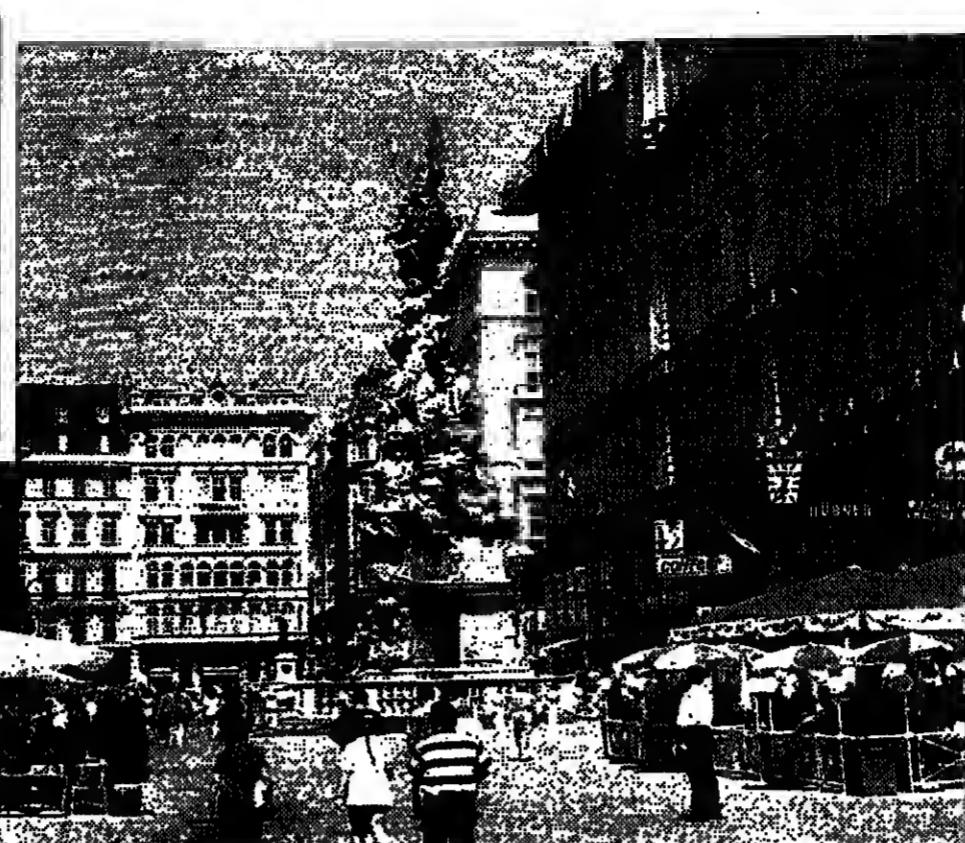
Messieurs les actionnaires sont conviés par le présent avis à

L'ASSEMBLÉE GÉNÉRALE ORDINAIRE DES ACTIONNAIRES qui se tiendra au siège social à Luxembourg le 31 Mars 1998 à 15h00, avec l'Ordre du jour suivant :



# BUSINESS LOCATIONS IN EUROPE: VIENNA REGION

The city of Vienna and the Vienna Region offer international firms the sophisticated infrastructure, skilled personnel and cutting-edge business locations they need to succeed in today's competitive global economy. Clockwise from top left: The Danube City project (model); central Vienna; Habs House and St. Stephen's Cathedral; the IZ MÖ-Süd Wiener Neudorf business park in Lower Austria.



## CUTTING-EDGE COMPANIES AT HOME IN VIENNA

*Top locations and services for high-tech firms.*

According to forecasts made by Vienna's Institut für Höhere Studien (Institute of Advanced Economic Studies), Austria's economy is slated to grow at a 2.5 percent rate during the period 1998 to 2002, reducing the country's unemployment rate from 7.1 percent to 6.5 percent. As Vienna's economy traditionally matches the country-wide average, good times seem to be at hand for the city's companies and residents.

Yet Brigitte Ederer, president of the WWFF (Vienna Business Agency) and the municipal councilor responsible for managing Vienna's finances, feels that the city's industrial sector is still showing some unnecessary signs of weakness. Unnecessary because Vienna's academic community has steadily come up with exciting technological innovations—the wellspring of manufacturing success. But, she says, "The problem is that the fruits of the research conducted in the city are not being exploited by the local manufacturing companies."

### Fostering innovation

This problem is common to all of continental Europe. Vienna has taken a number of measures to solve it.

A \$20 million municipal venture capital fund was set up in 1997 to launch new technology companies. Many of the products manufactured by these companies will be developed at what Vienna calls its new "centers of expertise," which have been created to foster innovations in the communications and life sciences sectors.

The WWFF also administers a wide range of investment support funds, which have been restructured to give priority to promoting high-tech start-ups.

In addition, the city is developing purpose-built locations for high-technology companies. Construction on one such project, the \$58 million Techgate technology park, is set to be launched in the second half of 1998. Techgate is part of the city's huge Danube City development area, located near the Vienna United Nations center and slated to regroup business, commercial and residential locations and a university specializing in high technology. Danube City's first completed project, a strikingly modern skyscraper dubbed Andromeda, will be open for business later this year.

With hundreds of high-tech start-ups already located in Vienna—such as Top-Cal or ASA-Hydraulik—why does the city need to step up innovation support, and why the concern about Vienna's industrial community?

Says Ms. Ederer: "Because the high-tech start-ups, viewed collectively, are being asked to do a very big job: to offset the large-scale shrinking of the city's traditional manufacturing sector. We already have many start-ups, and they're already appreciably compensating for the decline in the numbers of people employed by the traditional manufacturers. We need many more new companies to return the industrial sector's employment to traditional levels—and to complete the transformation of our manufacturing base."

Founded in 1986, MTE Messergeräte-Entwicklungs-und Vertriebsges. mbH is one of the city's new-look manufacturers. Its laser-based sensors can measure the thickness of glass at one micrometer and are becoming standard equipment for such companies as Germany's Schott, the world's most important producer of glass for telescope lenses and other highly precise applications.

Braincon is another young Viennese manufacturer. Its



main product is the Braincard, a smart card used both as an electronic wallet and an identity card that gives its owner access to security-controlled areas, on-line payment systems and health-care systems. Smart cards are already in wide use around the world. The Braincard's chief selling point—its universality of application—stems from innovative software developed by Braincon.

### Software cluster

One of the Vienna business community's chief products, software is traditionally included in the services rather than the manufacturing sector. After years of strong growth, the city's software cluster has reached an appreciable size. This growth is the reason behind Vienna's recent increase in job openings. According to Austria's Central Office of Statistics, as of the end of January 1998, this figure was up 28 percent over that of the previous year. This rise has raised hopes that the city's 9.7 percent rate of unemployment could be set to drop.

The software cluster is made up of companies like Frequentis. Now in the process of expanding throughout Europe, the Vienna-based company employs 220 and is the Continent's leading provider of the fail-safe data and voice communications systems used in air traffic control systems. Frequentis' products are credited with having greatly increased the safety of Europe's air routes. One of the company's recent commissions was the re-equipping of Sarajevo Airport's air control tower. AAA+ has developed software providing another kind of security. This software allows investors to ascertain the level of risk associated with a current or potential financial, real estate or other business projects. In a world full of collapsing economies and banks, AAA+'s products are in high demand.

And why do these companies do so well in Vienna? Says Klaus Fischbacher, WWFF's chief executive: "The business conditions in Vienna leading to the thriving and proliferating of the software cluster are precisely those that make the city so attractive to foreign investors. These include a wide availability of skilled personnel and reasonably priced commercial real estate. These are backed up by our business location services."

Terry Swartzberg



## BRAIN POWER DRAWS INVESTORS

*R&D is a major calling card for Viennese firms.*

In 1996 and 1997, foreign companies invested \$2.5 billion in Austria. Accomplished mostly via takeovers, this was by far the best two-year total in the country's history, putting it at the top of the world's inward investment rankings, as calculated on a per capita basis. Vienna was a prime beneficiary of this inflow.

The Austria Business Agency reports that some 60 percent of the capital went to companies in the city, or was channeled by them to subsidiaries located elsewhere in the country.

### Smart companies

This trend has come with a question: What's been motivating the foreign investors? To date, the most common answer has been that Austria's companies are inexpensive by world standards. Thanks to their conservative accounting procedures, Austrian firms have accumulated large amounts of hidden reserves—real estate and other holdings carried on their books at unrealistically low valuations.

A November 1997 study rebuts this viewpoint. Carried out by Austrian Management Consulting and the Institut für Höhere Studien (Institute of Advanced Studies) and covering the first half of the decade, the study finds that "foreign corporations are mainly interested in companies whose expenditures for research and development have shown a steady rise."

According to the report, the companies are involved in the following sectors: chemicals, life sciences, electronics and communication systems, automotive and transport engineering, and environmental technologies. These sectors form the main components of greater Vienna's business community.

After a decade of activity, the foreigners' interest in buying up Austrian brain-power has achieved impressive dimensions. The study reported that at the end of 1995 foreign companies owned 89 percent of Austria's electronics and communication sector.

This figure was topped—

by one percentage point—

by that of the chemicals and life sciences sectors, which are counted together by the statisticians.

Lest the impression arise

that all of the country's business community is high-tech and in foreign hands, a counterexample. During the first half of the decade, Austria's metal-processing industry reduced its R&D expenditures by only 11.2 percent. At the end of 1995, it was 92 percent domestically owned.

T.S.

## USEFUL ADDRESSES

### WWF

Vienna Business Agency  
Ebendorfer Strasse 2  
A-1082 Vienna  
Tel.: (43 1) 4000 86 794 · Fax: (43 1) 4000 70 70  
[www.wwf.at](http://www.wwf.at)

### MAGISTRAT DER STADT WIEN

City government of Vienna  
Rathaus  
A-1082 Vienna  
Tel.: (43 1) 4000 1 · Fax: (43 1) 4000 99 818 58  
[www.magwien.gv.at](http://www.magwien.gv.at)

### AUSTRIAN BUSINESS AGENCY

Opernring 3, A-1010 Vienna  
Tel.: (43 1) 588 580 · Fax: (43 1) 586 86 59  
[www.telecom.at/AustrianBusinessInfo](http://www.telecom.at/AustrianBusinessInfo)

### VIENNA CHAMBER OF COMMERCE

Stubenring 8-10, A-1010 Vienna  
Tel.: (43 1) 514 50 · Fax: (43 1) 513 77 87  
[www.wk.or.at](http://www.wk.or.at)

### Eco Plus

Lugeck 1, A-1010 Vienna  
Tel.: (43 1) 513 7850 0 · Fax: (43 1) 513 7850 44  
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## TOP FIRMS PROSPER IN LOWER AUSTRIA

*Business parks respond to investor needs.*

When it comes to choosing a location, the investor always knows best," says Theodor Krendelberger, who is in charge of Industrial Parks in Lower Austria for the regional development agency Eco Plus. And the agency's track record through more than 35 years in the business shows that Eco Plus has got its priorities right.

To date 360 companies have been established in Eco Plus business parks in the federal province, the largest sector of the Vienna Region. What is more, Lower Austria can point to a significantly higher economic growth rate of 2.8 percent during the past year, compared with the overall Austrian average of 2.0 percent.

### Fully equipped business locations

Most of the settlers have been accommodated in one of seven business parks, covering a total area of 5,250,000 square meters (56,490,000 square feet). Far away to the west of Vienna is located at Wiener Neudorf, immediately to the south of Vienna. It houses no less than 280 enterprises and provides employment for 10,000 people. Isovolta, Dan Industries (Tupperware), Castroil, Duracell, Toshiba Medical Systems and Kenwood are among the big names serving customers in Austria as well as in the countries of Central and Eastern Europe (CEE). The latest addition to the Eco Plus network of business parks, at Bruck/Leitha, will be welcoming its first occupant on April 3: Volvo Trucks of Sweden, which is setting up a spare parts depot there.

Volvo's managing director for Austria, Lennart Pilskog, is convinced that the Lower Austria location offers not only an ideal approach to the markets of Central and Eastern Europe, but also, from the other direction, constitutes an entry point into the EU single market. A not inconsiderable advantage was the speeding up of the formal approval procedure promised, and realized, by Eco Plus.

As a business location, the 43-hectare (106-acre) site at Bruck/Leitha, equipped with complete infrastructure, could hardly be better. Not only is it in the rapidly developing eastern fringe of Austria, but it is also near the highway and on the main railway line from Vienna to Budapest, only 10 minutes away from Vienna Airport and close to the Danube, with a great river-freight potential.

### Looking east

There can be no doubt that Austria in general is now profiting from the eastern opening. Lower Austria in particular is anxious to exploit this trend to the fullest. Potential possibilities in this respect far outweigh the supposed threat posed by cheaper labor availability in neighboring countries to the east. One of the biggest groups to have approached Eco Plus recently, however, opted for a location outside any of the business parks. It is Atmosa Petrochemicals, a subsidiary of the Dahin Group of Taiwan, which was assisted in the purchase of a former Petrochem Danubia plant at Schwechat in Lower Austria, to the east of Vienna.

Since 1996, Atmosa has used the facilities to secure a long-term supply of PA (phthalic anhydride), an essential intermediate material in the production of plastics, paint and printing inks. Kevin Liu, managing director of Atmosa, is unreservedly enthusiastic about the Lower Austrian venture. "Our production of PA in Schwechat has been profitable from the start. The location is ideal as regards its traffic connections. There are direct flights between Vienna and Taipei. And the Austrian authorities were flexible and very supportive of our project from the start," he says.

He is referring to Eco Plus's handling of requests for the necessary residence permits for management staff and their families—the standard quota for employees from non-EU countries had been exhausted. This is one of the many services that Eco Plus provides for its partners in Lower Austria.

David Hermeges

## STRONG MARKET FOR OFFICE SPACE

*Large-scale transactions boost real estate sector.*

Vienna's commercial real estate market has been on a steady roll for the past 15 years, and, with a spate of large-scale transactions, the sector picked up further steam in 1997.

In what was the largest real-estate transaction in recent Austrian business history, a subsidiary of the locally owned Constantia Privatbank AG acquired the Business Park Vienna, paying \$340 million and beating out the Commerz Grundbesitz Investment Ges. mbH, the Viennese real-estate arm of the powerful German bank.

Undeterred, the Germans went on to purchase a large-sized inner-city office building of their own, outbidding a Dutch group for it. All told, the Germans made four such acquisitions in 1997, with a further 10 being planned for 1998, reports Handelsblatt, the German business daily.

### New projects

The strength of Vienna's real estate market is directly dependent upon the healthy state of its economy as a whole. According to a study published by Creditanstalt in late 1997, the Vienna economy's ongoing upswing is being driven by its high-tech companies. They require further office, production and logistics space to accommodate their growing operations.

The new neighborhood will be centered around two 110-meter-high skyscrapers. They will face each other across the area's main boulevard, forming the "posts" of the Eurogate, in the architect's terms. Another key part of his vision is water. The heart of the site will be a teardrop-shaped pond, part of which will be on the space formerly occupied by the canal.

For Vienna's commercial real estate market 1998 and beyond will also be years of building, should all go according to plan.

The list of projects planned for construction are many, and include a \$240 million, 10-story office building.

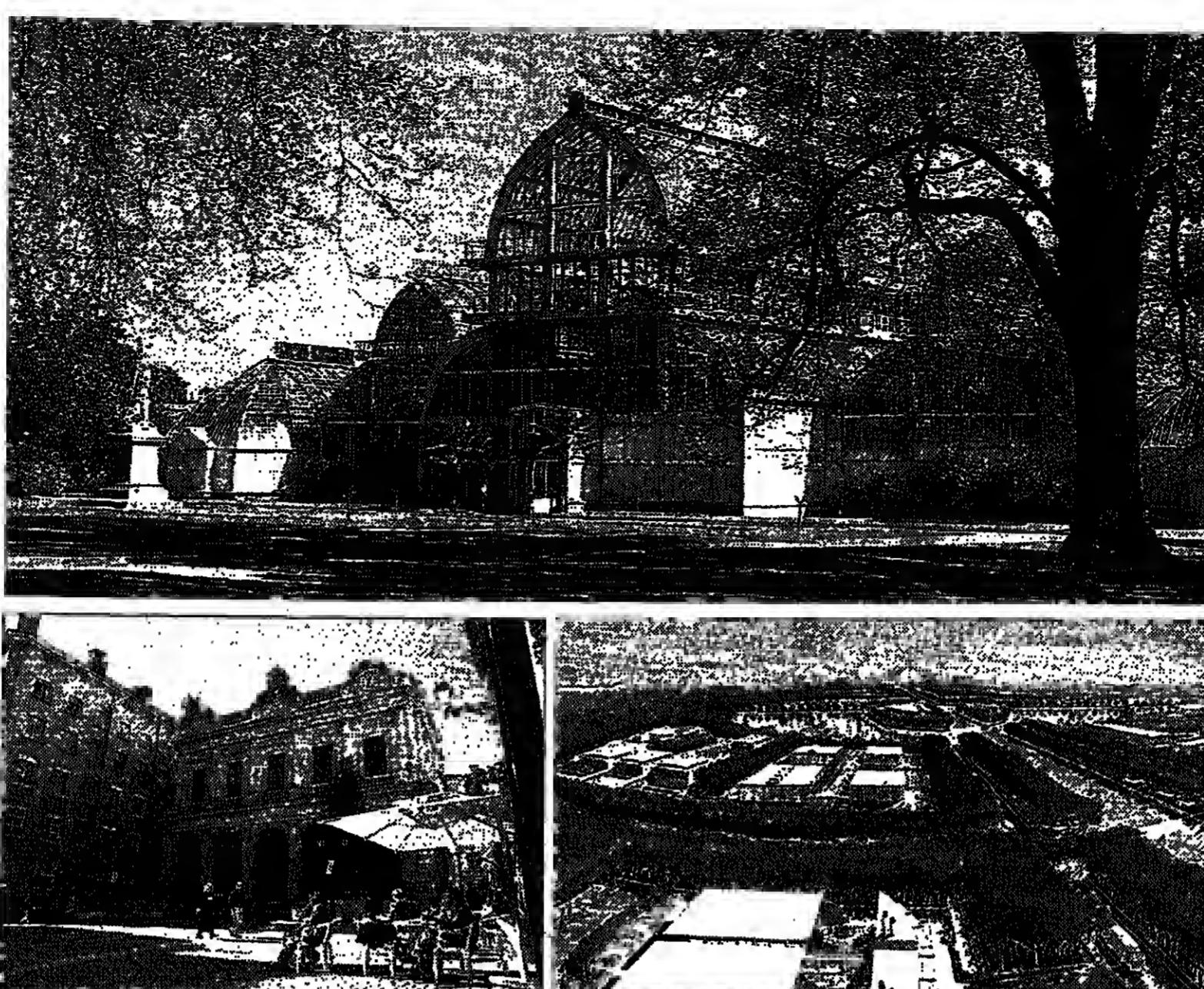
Construction on the project is set to begin in 2001.

T.S.

# BUSINESS LOCATIONS IN EUROPE: LYON

As investors return to the French real estate market, they are looking closely and critically at prospects for commercial real estate development. They are finding in Lyon a climate for investment that makes good business sense: expanding demand for office space and implantation sites, competitive returns, a healthy economy, and a city that is both investing in the knowledge industries of the future and developing its links with the broader Southern European region.

Clockwise from top: Greenhouses at the Parc de la Tête d'Or, next to the Cité Internationale; the Porte des Alpes development; the Place du Change, in the city's historic quarter.



## REAL ESTATE PROFESSIONALS SAY NOW IS THE TIME TO INVEST IN LYON

Choosy investors will find good commercial prospects in the city.

As the French real estate market creeps back to life, wise investors are once again beginning to take an interest in developing commercial properties, but with a difference. The willy-nilly speculative buying that was the norm during the boom years of the late 1980s is out, along with the overcautiousness that followed during the recession of the first half of the 1990s.

Now that demand is rising and stocks of available space are at a low point in many markets, confidence is growing, but investors are doing their homework before sinking their money into new projects.

Lyon is one of the French cities that is ripe for investment, according to Paul Bourcier, an investment partner at Jones Lang Wootton Paris. "The French market is much more professional now," he says. "Developers are doing detailed market studies, and they are financially stronger. They have the backing of a strong partner or a financial institution."

### Enticing returns

At Jones Lang Wootton in Lyon, European partner and CEO Jean-François Prenot points out that returns on investment in Lyon are even higher than those for Paris, with Lyon residential property bringing in returns of 6-6.5 percent, offices 9-10 percent, warehouses 11.5-12 percent and industrial space 12-12.5 percent.

At the beginning of this year, only 30,000 square meters (322,580 square feet) of new office space were available, according to a report prepared by FNAIM Entreprises. The report points out that "users who need spaces larger than 2,000 square meters within a period of one year will have enormous difficulty in finding a solution among the existing stock." This situation creates interesting opportunities for investors, who are now taking a close look at the city.

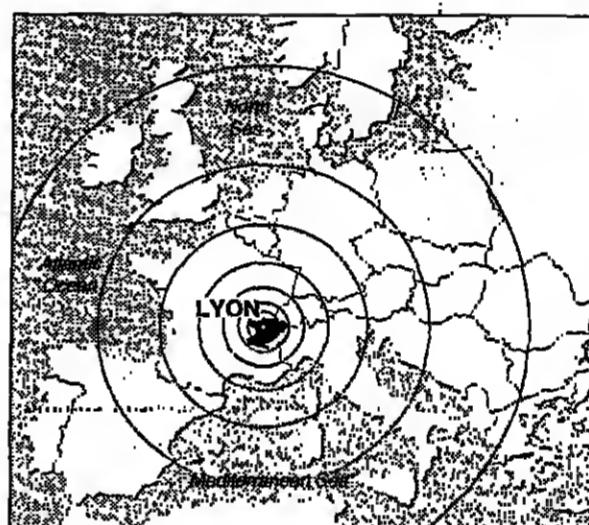
"We are seeing all types of investors coming back," says Mr. Prenot. "The French, American pension funds, the English, the Dutch, etc. But the situation is the same as in Paris: immediately available products are rare." He predicts that over the next couple of years "a number of projects that have been gathering dust are going to be coming out of the closet under the pressure of strong demand."

Alain Schori, regional director of Auguste Thouraud realtors and president of FNAIM Entreprises, also notes the return of interested investors to Lyon, including Americans looking to relaunch construction in the city. "This is the second-largest city in France," he says, "with the second most important real estate market. We have a solid economy, business sector that works and a local government that invests in infrastructure."

### Plenty and varied opportunities

The opportunities are there. Land and/or floor space are available in service-sector premises (Part-Dieu and Cité Internationale), technology parks (Gerland, Porte des Alpes and Techlid), business parks, urban business parks (re-developed inner-city industrial areas), industrial parks (manufacturing) and logistics parks (platform at Mions-Corbas) in the Greater Lyon area. In addition, Lyon is planning a major redevelopment of the Perrache-Confluence area, where the Rhône and Saône Rivers meet in the south of the city. Mayor Raymond Barre sees this development as the basis for the "Lyon of the 21st century."

Lyon itself provides an ideal setting for doing business, with 2,000 years of history, a strategic location in Central France, top-notch transport connections (high-speed TGV trains, the French highway network, two airports), a wealth of major universities and research centers, strong scientific and



technical industries, and a thriving small and medium-sized enterprise sector.

When it comes to the quality of life, few cities could offer more: comparatively low living expenses, some of the best restaurants in France, a handsome city with historic quarters and vestiges of Roman times, an active cultural life (theater, music, art), proximity to the Alps and the Mediterranean, and an international school for the children of foreign workers.

Local officials have demonstrated their will to provide the necessary infrastructure and the pleasant environment that international investors are looking for. Through ADERLY (Lyon Area Development Agency), Greater Lyon's business-promotion unit, and the Greater Lyon Department of Economic and International Affairs (DAE), they also offer concrete assistance of all types, including legal, administrative and financial advice; help in finding locations; and even assistance in finding jobs for spouses of workers transferred to the city. Representatives of both agencies are on hand at the MIPIM real estate conference in Cannes through March 15.

Heidi Ellison

What advantages does Lyon have in comparison with other French cities?

I don't want to enter into competition with other French cities. Foreign investment is important for France, and it is up to foreign investors to decide where they want to be. The list of investments made in 1997 and 1998 shows that many were made by companies already established in Lyon that are expanding their activity. SMI, for example, which belongs to the Japanese group Koyo Seiko, is increasing its investment in Lyon and plans to open a research center there that will cover all of France. Companies that invest in Lyon are increasingly discovering that they have an advantage in their proximity to northern Italy and Switzerland, but especially that they can operate in Southern Europe, where there is enormous potential.

What is very striking about investments in the Lyon region is that they are medium-sized investments that are directed toward long-term growth. That corresponds to the structure of the region, where there are many medium-sized enterprises that are in the process of becoming large enterprises. This is highly characteristic of the Lyon region. And we have noted that medium-large enterprises are growing and that foreign investors are interested in buying many medium-sized enterprises. The foreign investments — American, German, Swiss, Japanese — that have already been made are large investments made in a perspective of growth.

How would you like to see Lyon develop, and what is necessary to achieve this development?

Lyon has great potential. At the moment, I am stressing two essential directions. First, to make Lyon "the city of intelligence." We have outstanding universities, scientific grandes écoles and research centers. What I would like to see is the development of synergies between all these institutions; I think this is essential for the city. We want to make Lyon a center for health that starts with the research centers and ends in industry.

The second orientation is to make Lyon part of a network, to take it out of a purely unilateral position and develop links, on the one hand, with Turin and Geneva, and, on the other hand, with the centers of the Rhône-Alpes region, especially Saint-Etienne and Grenoble. And, finally, we would like to push toward the south through a partnership agreement with Marseilles.

The strategic position of Lyon allows it to be at the heart of a network of cities that covers the whole of the region. We also have excellent relations with Barcelona. We are setting up partnerships in all sectors: economic, financial and cultural. And we are trying to realize economies of scale. Instead of each city having its independent policies, we are trying to work together, to find common goals, and to play a role in a significant, important economic area with strong potential: Italy, Southern France and Spain now have greater growth capacity than areas in the center of Europe, which are already highly developed. We are making plans to bring Lyon into the 21st century.

Interview by H.E.

## WHY LYON? THE BUSINESS VIEW

Lyon is a good place to do business, but is also a good place to stay in business and to expand, as has been demonstrated by a number of outside companies that have chosen the area as their European base.

Among the international enterprises and organizations that have set up shop in Greater Lyon are the U.S. company Hewlett-Packard, which is now increasing its investment in its Lyon operations; JETRO, the Japanese external trade organization; the U.S.-based Monsanto and Carrier (an air-conditioning company that will create 900 jobs); and Danfoss of Denmark, which is constructing a new building and will account for 658 jobs; to mention just a few.

What brings them to the Lyon area? According to Guy Malher, a director of Merial, a joint venture formed in 1997 by Rhône-Poulenc and Merck & Co. of the United States to produce veterinary vaccines and medicines, the area's sophisticated research facilities and institutions of higher education are a major factor for a company like Merial, which works closely with them. He also cites Lyon's geographic situation at the crossroads of Northern and Southern Europe and its transport connections, including the TGV high-speed trains, the highway system and the international airport, as well as its pool of skilled workers.

"We mustn't forget the pleasures of life," says Mr. Malher, referring to Lyon's opera house, theaters, concerts and museums, and, of course, its reputation as one of the gastronomic capitals of the world.

Thomas Charlemon, the sales director of the U.S. company Belden Wire & Cable's office in Lyon, stresses the reasonable cost of living in Lyon. "You can live very well here, as well as in Paris," he says, "but it costs less." Lyon was also chosen by Belden for its infrastructure and transportation connections.

Guy Chaveriat of Wacker, a German company whose core areas are semiconductors and materials including polymers and silicones and which has had offices in Lyon since 1991, gives top priority to Lyon's expertise in chemistry. He also points to the low cost of living and easy pace of life. "We can work calmly here," he says. "There is less traffic than in Paris, and we have good communications with our head office in Munich." The city's international school was also a plus for Wacker. "Our turnover has increased since we've been here," adds Mr. Chaveriat, "and our workers are happy to be here."

## SITES FOR ALL KINDS OF BUSINESSES

Developments target both business needs and quality of life.

Investors interested in development projects in Greater Lyon have a wide variety of options, all of which stress quality of life as much as business activities.

The most prestigious location for the development of office space is Part-Dieu, the business center that has been built up around the TGV (high-speed train) station of the same name over the past 20 years.

**Downtown business center** With a prime location in the heart of Lyon, Part-Dieu has 500,000 square meters (5.4 million square feet) of office space, 20,000 jobs, 1,000 hotel rooms, 6,500 parking spaces, a subway station and a thriving shopping center that attracts some 80,000 people a day.

Part-Dieu is still expanding. According to Eric Jimod, sales director for development company Société d'Équipement du Rhône et de Lyon (SERL), 22,000-24,000 square meters of floor space are available for development to the north of the TGV station, and more to the south. Parcels of 11,500 square meters and 13,500 square meters are also available.

A new 650-space underground parking lot will be completed by the year 2000, at which time an 11,000 square

meter office building will go up on top of it. The center's environment is being upgraded with new esplanades, squares and greenery.

The Porte des Alpes development area is located to the east of Lyon, at the intersection of highways leading to Geneva, Chambery, Grenoble, Turin, Paris, the Mediterranean and Spain. It is next to the Lyon-Bron business airport and 10 minutes from the Lyon-Satolas International Airport.

One of Greater Lyon's priorities for development is what is called the Perrache-Confluence project. This is the point of land in the south of Lyon formed by the confluence of the Rhône and Saône Rivers and encompassing the Perrache TGV (high-speed train) station. The plan calls for the development of economic, scientific, research, higher-learning and cultural activities, as well as additional housing.

To enhance the beauty of the riverside site, a park will be created at Gerland on the other side of the Rhône. Already home to many biotechnology companies, Gerland will be connected to the subway system in 2000. The Edouard Herriot port will be modernized and reorganized.

Studied along a landscaped curve of the Rhône River on the northeastern edge of Lyon, the Cité Internationale

development is already in full swing. Designed by Renzo Piano, the complex includes offices, a conference center, a cinema complex, shops, green spaces and a parking lot. In 1999, a Hilton Hotel will open, and further office space and housing are planned for the future.

On the western edge of Lyon is another science park, Techlid, currently home to 2,600 businesses, most of them working in the areas of electronics, computers, biotechnology, engineering and design. Land is still available for development on this site.

Southeast of the city, Greater Lyon is developing the Mions-Corbas logistics platform connected to the north-south highway and the main road into Lyon and to a rail line.

Heidi Ellison

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# INTERNATIONAL Herald Tribune

# SPORTS

THURSDAY, MARCH 12, 1998

## WORLD ROUNDUP

## Malone Loads Up

**BASKETBALL** Karl Malone, the Utah Jazz forward, said he intends to carry a handgun on road trips following a death threat last week in New Jersey.

"From now on, I'll be packing," Malone said.

Malone, who has a permit to carry a concealed weapon, told The Salt Lake Tribune that he has little faith in security at NBA arenas.

"Not until somebody gets shot or something like that — and it's going to happen, I'm telling you — are they going to do something about it," Malone said. "And I'm not going to be one of those 'uh-oh' kind of guys."

(AP)

## 2 Shot in Pickup Game

**BASKETBALL** Trash talking during a pickup game escalated into gunfire, leaving a teenager dead and a man seriously injured. Alvin Person, 20, was charged with first-degree murder in the death of Jeramie Jackson, 15, after the shooting Monday in Siler City, North Carolina.

"It was a pretty physical game, and it went from bad to worse," said Doug Stuart, a police detective. "Feelings got hurt, tempers flared, and the next thing you know, a guy gets an assault rifle out of his car and opens fire on 10 people."

Person started driving away. Then, according to police reports, he stopped, got back out and fired a half dozen rounds at the crowd with an NHM-90 assault rifle.

"He thought he had just shot up toward that area," Stuart said. "He was just trying to scare them."

Jackson died Tuesday afternoon, said a hospital spokeswoman, and Charles Anthony Baylor, 20, was in good condition Wednesday. (AP)

## Aussies Refuse to Train

**CRICKET** The Australian team on Wednesday threatened to boycott a match against a junior Indian team because it involved traveling by train.

The Australian team was scheduled to fly to Jamshedpur, about 150 kilometers (95 miles) from the eastern city of Calcutta, but a chartered flight failed to materialize. The organizers made train bookings, but the Australians refused to go by train, said Press Trust of India press agency. Another plane was chartered. (Reuters)

## Evans Ends Wales Career

**RUGBY UNION** Ieuan Evans, the Wales and British Lions winger, retired from international rugby on Wednesday. Evans, 34 next week, captained Wales a record 28 times in his 71 internationals. (Reuters)

## Steels Wins in Vichy

**CYCLING** Tom Steels, a Belgian with the Mapel team, won the 194.5-kilometer third stage of the Paris-Nice race on Wednesday. Steels beat Andrei Tchmil in the finish in Vichy. Frank Vandembroucke, another Mapel rider, kept the overall lead. (AFP)

## Mourning Throws His Elbows, but Bulls Shrug

*The Associated Press*

The Chicago Bulls widened their lead at the top of the Eastern Conference playoff race with a victory over third-place Miami.

Michael Jordan scored 39 points as the Bulls beat the Heat, 106-91, on

## NBA ROUNDUP

Tuesday night, increasing their lead to 2½ games over Indiana and 3½ over Miami.

Scottie Pippen added 19 points for the host Bulls (46-16), who shot 54 percent in winning for the 12th time in 13 games. Alonzo Mourning scored 21 points for Miami, which had its 11-game road winning streak snapped.

Mourning elbowed Jordan in the head while setting a screen early in the third quarter, but no foul was called. Mourning later elbowed Pippen while setting another screen, and Pippen threatened to punch the Miami center.

Jordan said Mourning "can't get into my head and intimidate me. He'll have to hit me harder than that."

Pat Riley, the Miami coach, said: "Winning would have helped us a lot more than them. I don't think they believe anyone is going to beat them when it counts."

Spurs 79, Nets 78 New Jersey dropped into a tie with Washington for the eighth playoff spot in the east by losing at the buzzer in San Antonio.

David Robinson made a lay-up as time ran out, sending New Jersey to its sixth straight loss. The Nets have lost four of those games by three points or fewer.

Knicks 85, Magic 78 Orlando fell a half-game behind the Nets and Wizards by losing in New York.

Charlie Ward, one of the Knicks' guards, reached double figures in points and assists for the second straight game. He had 10 points and 10 assists as the Knicks completed a sweep of the team's four-game season series and snapped a three-game losing streak that tied their longest of the season.

"I'll probably never be a superstar in this league, might not be on the All-Star team, but one thing I can do is play hard every night and do the best I can," Ward said.

Wizards 93, Bucks 77 Chris Webber scored 24 points and Rod Strickland had 17 points, 11 rebounds and 10 assists in Washington's victory in Milwaukee.

Rockets 97, Mavericks 91 In Houston, Clyde Drexler scored 24 points, Kevin Willis had 20 points and 12 rebounds, and Hakeem Olajuwon had 13 points and eight rebounds. Olajuwon also needed four stitches over his right eye after colliding with the Mavs' Cedric Ceballos.

SuperSonics 111, Raptors 93 Gary Payton scored 24 points and Dale Ellis had 18 as Seattle improved its league-best record to 47-15. The SuperSonics are 25-4 at the Key Arena in Seattle.

Suns 100, Nuggets 76 In Denver, Antonio McDyess scored 18 points, Jason Kidd had 17 and Phoenix handed the Nuggets their 16th straight loss.

## CROSSWORD

**ACROSS**  
1 Ventures  
2 Nantes' river  
3 —Locks, Fla.  
14 Familiar term of address  
15 Recital feature  
16 Populous area  
17 It doesn't generate interest  
18 Lewis Center designer  
20 Late comic Farley  
21 Described as  
22 Land of Robert Burns  
23 College in Syracuse, N.Y.  
27 Keep locked up

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UCLA COMER WHEAT  
REA GLUE METOO  
ARTUROTOSCANINI  
PEW ALL  
VINCENZO BELLINI  
ADEAL ELIA ICEO  
MEIE RANT MAXI  
PARTY ONES ONTO

22 Requirements for some badges  
23 W.W. II heroes: Abbr.  
30 Attack  
32 — of Glenure ("Kidnapped" character)  
33 Some are liberal  
37 Idiots  
39 Russo of "Tin Cup"  
40 Bras participant  
42 Inured  
44 Skid guess  
45 Places of darkness on the way to Hades

DOWN  
1 Ref's ruling, briefly  
2 A Rock's Ocasek  
3 Answer to a minister's question  
4 Chemical extractions  
5 — Choice  
6 She was WGRP's Jennifer  
7 Peppers  
8 1987 #1 hit  
"Here Again"

47 Evergreen hedge  
48 Go-between  
51 Relative of a grapefruit  
52 — of Glenure ("Kidnapped" character)  
53 40's-50's country team member  
54 Some are liberal  
55 Award of 1947  
57 Stooge  
58 Road show grp.  
59 Academic Award  
60 Man of the cloth, slantly  
62 The "I" in IV  
63 Treasure  
64 Suffix with meth-  
65 Popular deodorant  
66 Pre-Novocain stuff

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68 Peculiar to a locale  
69 Magician's claim  
70 Dress up  
71 Put up with  
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73 Turbine part  
74 Beat it  
75 Humidor item  
76 Multiple-choice choice  
77 Pretend  
78 — a hatter  
79 Springsteen's "Born —"  
80 Big name in computer chips  
81 "Cool!"  
82 Prefix with comic  
83 Ale  
84 Clorox Company cleanser  
85 Hype  
86 Horticultural's  
87 Significance  
88 Peirarch's beloved  
89 "A Doll's House" dramatist  
90 Blood fluid: Prefix  
91 Patch up  
92 Bowery bum's affliction  
93 Homer Simpson exclamation  
94 Blvd.  
95 Any boat

Puzzle by Fred Pfeiffer

New York Times/Edited by Will Shortz

The Associated Press

PHILADELPHIA — Roger Neilson

opened his reign as Philadelphia Flyers coach with a hard-fought tie against the New Jersey Devils.

"We were outplayed, but it's good when you can scramble and get a tie," Neilson said after the 2-2 battle with the Eastern Conference leaders on Tuesday.

Neilson, hired to replace Wayne Cashman as head coach after Philadelphia fell 12 points behind the Devils, met with his players for a few minutes Monday and made a few minor changes at Tuesday's practice.

Hours later, he had a first look at the crisis dumped in his lap. Considering the Flyers' inconsistent play and weak defense of late, he could not really complain about the result.

The Devils outshot the Flyers, 35-19, winning goals from Randy McKay and Bob Holik. But Philadelphia rallied from two one-goal deficits on goals by Chris Therien and Alexandre Daigle, and Ron Hextall stopped a flurry of point-blank shots.

It will take a lot more to catch the streaking Devils. New Jersey extended its undefeated streak to 12 games and was 12 points ahead of Philadelphia.

The Flyers have won just four of their

last 13 games, a slump that led the team to demote Cashman. A year after their trip to the finals, they remained winless in nine games this season against the league's best teams — New Jersey, Detroit, Dallas and Colorado.

The Devils allowed three goals or fewer in each of their previous 19 games,

## NHL ROUNDUP

and this one was no different. They improved to 3-0-1 against the Flyers this season using the same neutral-zone trap Neilson pioneered.

The Devils scored first when McKay slipped past the Flyers' defense, took a pass from Jason Arnott and one-timed it past Hextall.

Three minutes later, Chris Gratton won a faceoff in the Devils' zone, then screened Martin Brodeur as Therien scored.

The Devils went ahead, 2-1, less than two minutes into the third period when Holik took Arnott's pass and slapped it on net. Hextall got his glove on it, but the puck slipped past.

Daigle, whose goal gave the Flyers a 4-3 overtime victory over Pittsburgh on Sunday, tied it with five minutes left.

"They shut us down at every angle and we just kept coming until we tied it

twice," Neilson said. "I think that paid off the best."

Bruins 6, Red Wings 3 In Detroit, Tim Taylor had a goal and two assists, and Boston scored three power-play goals to hand the Red Wings their third straight loss.

Kings 4, Coyotes 3 Rob Blake had a goal and an assist in a four-goal first period as Los Angeles won in Phoenix. Jason Morgan, Ray Ferraro and Glen Murray also scored for the Kings, who won for the 13th time in 19 games.

Islanders 2, Sabres 2 Jason Woolley's power-play goal at 7:42 of the third period lifted visiting Buffalo into a tie

with the Kings in the 56-51 victory over New Mexico. "Guys are talking and bickering each other up. In the middle of the year, it felt like you were out there by yourself."

## NHL ROUNDUP

and this one was no different. They improved to 3-0-1 against the Flyers this season using the same neutral-zone trap Neilson pioneered.

The Devils scored first when McKay slipped past the Flyers' defense, took a pass from Jason Arnott and one-timed it past Hextall.

Three minutes later, Chris Gratton won a faceoff in the Devils' zone, then screened Martin Brodeur as Therien scored.

The Devils went ahead, 2-1, less than two minutes into the third period when Holik took Arnott's pass and slapped it on net. Hextall got his glove on it, but the puck slipped past.

Daigle, whose goal gave the Flyers a 4-3 overtime victory over Pittsburgh on Sunday, tied it with five minutes left.

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## SPORTS

## Bosox Open Their Vault To Sign Up Garciaparra

The Associated Press

FORT MYERS, Florida — Nomar Garciaparra, the American League Rookie of the Year, and the Boston Red Sox agreed to a landmark \$22.25 million, five-year contract that could escalate to \$44.25 million if the team exercises two option years.

The deal, unprecedented for a player who has been in the major leagues for little more than one season, came after six weeks of negotiations.

Garciaparra, who made the major-league minimum \$150,000 last season, will receive a \$2 million signing bonus, \$600,000 in 1998, \$900,000 in 1999, \$3.3 million in 2000, \$6.85 million in 2001 and \$8.6 million in 2002. Boston has options for \$10.5 million in 2003 and \$11.5 million in 2004.

"This is a very rare and talented player," said Boston's general manager, Dan Duquette. "What he's done, few people have ever done their first year in the league."

Garciaparra hit .306 with 30 homers, 98 RBIs, 122 runs and 22 steals last season, and was the unanimous choice for AL Rookie of the Year. He also led the majors with 68 multihit games, 209 hits and 11 triples. His 30-game hitting streak broke Guy Curtiss' AL rookie record, set in 1943.

Separately, in Dunedin, Florida, Lenny Dykstra insisted he would not be a backup for the Philadelphia Phillies. "Like I said before, the easiest thing for the Phillies would be to release me," Dykstra said Tuesday after playing 5½ innings in a 14-3 victory over the Toronto Blue Jays.

Dykstra, who had an angry 20-minute meeting Monday with the team's acting general manager, Ed Wade, and its manager, Terry Francona, is off to a 2-for-18 (.111) start this spring after missing 1½ seasons because of injuries.

Kerry Dusenberry/The Associated Press  
Steffi Graf reaching for a forehand shot in her victory over Natasha Zvereva in a tournament in California.

## Graf Steamrollers Another Opponent

By Robin Finn  
New York Times Service

INDIAN WELLS, California — Steffi Graf continued her reign of terror at the State Farm Event Cup, where she has never lost a match.

Graf, the two-time champion here, turned her attention to Natasha Zvereva on Tuesday in the quarterfinals and, forcing Zvereva to relive bad memories of her 6-0, 6-0 annihilation in their 1988 French Open final, demolished her by 6-3, 6-0.

"I'm playing better than I anticipated, but maybe I haven't had the opponents yet that maybe push me or put me under pressure," said Graf, the third seed.

She remained on a collision course to meet Graf in the semifinals following a routine 6-2, 6-2 dismissal of Ruxandra

over Ai Sugiyama, 6-0, 6-1.

Zvereva kept things close for the initial six games only to find herself reduced to the role of tortoise as Graf increased the pace and ran away with the match.

"After a shaky start in the first set, I really wanted to get my act together, and I did. In, I went for my shots. I wasn't trying to win, 6-0. I just wanted to play a steady set," said Graf, who did both.

As far as the event's defending champion, Lindsay Davenport, can tell, this comeback version of Graf, who was our nine months following potentially career-ending knee surgery, is just as scary as the old version.

"I saw her play last night and I thought it was the old Steffi Graf; she looked unbelievable, hitting her forehands and backhands so close to the lines, just so dominant, moving really well," said Davenport.

She remained on a collision course to meet Graf in the semifinals following a routine 6-2, 6-2 dismissal of Ruxandra

Dragomir on Tuesday in the fourth round.

Davenport will face unseeded Sandra Cicic but could not resist looking ahead to Graf.

"I would love to play her," she said. "She looks awesome again."

Like Graf, top-ranked Pete Sampras was in a mood to dominate, even if it had to happen at the expense of his golf buddy, Todd Martin.

Sampras proceeded to the third round of the Newsweek Champions Cup with a 6-1, 7-5 dismissal of Martin, who has been unable to put a dent in Sampras' game in their last nine meetings.

Sampras said Martin, with his height and his tricky ball toss, can be a troublesome opponent.

"He's 6 foot 6, and with his service motion, it's like a crane coming down on you," he said.

But it was Sampras, now enjoying his 100th consecutive week at No. 1, who lowered the boom. "If I'm playing well, I don't mind playing anyone," he said.

## Bayern Fines Players For Criticizing Coach

### 3 Midfielders Complain About Trapattoni

Copied by Our Staff From Dpa/epa

Bayern Munich imposed hefty fines Wednesday on three German international midfielders who criticized Giovanni Trapattoni, the club's coach.

The club ordered the three players — Mario Basler, Mehmet Scholl and Thomas Strunz — to pay 20,000

## SOCCER ROUNDUP

Deutsche marks (\$11,000) each to charity for saying the coach's tactics were too negative after Bayern lost, 1-0, to Schalke 04 on Sunday.

"They broke an agreement that we don't talk publicly about technique, tactics and, above all, about the coach," said Uli Hoeneß, the club's manager.

Franz Beckenbauer, Bayern's president, said: "There's no one better than him. He has 100 percent backing."

The criticism by the players prompted a furious outburst from Trapattoni at a news conference Tuesday. Gesticulating wildly, he said he was sick of defending his players after poor performances.

"That outpouring of anger was justified," Beckenbauer said. "It may be that we take a radical step and play with a completely new team next year."

Bayern had shown remarkable harmony this season. Last season, the frequent internal bickering amid intense media interest earned the club the nickname "FC Hollywood."

WORLD CUP: Joao Havelange, the president of world soccer's governing body, said Wednesday that he supported England's bid to stage the World Cup.

Havelange, 82, met with Tony Blair, the British prime minister, for 45 minutes and then said: "It is my personal wish that the 2006 World Cup takes place in England."

England is one of three countries definitely bidding for the 2006 World Cup along with Germany and South Africa.

ITALY: Italian League officials are considering switching Serie A matches from

Sunday to Saturday afternoons in 1999.

The League is anxious to cash in on pay-per-view television. It is considering the format of the English Premiership, which has a lucrative contract with SkyTV, a subscription satellite broadcaster.

Under the plan, reported by Gazzetta dello Sport on Wednesday, seven of the nine Serie A matches would be played Saturday afternoons, one on Sunday evening.

Currently, eight games are played on Sunday afternoon and one on Sunday night, which is broadcast live.

The move would be welcomed by Italy's church leaders, who have long protested the monopolization of Sundays by soccer. League officials say they believe that moving the Serie A to Saturdays would mean a wider television audience and bigger crowds at Serie B and Serie C matches, which would still be played on Sundays.

NIGERIA: Nigeria's World Cup players have turned down the government's offer of \$6,000 each for each of the three first-round matches, a newspaper reported Wednesday.

According to the Lagos Punch, the players wanted \$8,000 each.

ENGLAND: Steve Harkness, a Liverpool defender, said Wednesday that he was considering legal action against Stan Collymore, an Aston Villa striker, to stop Collymore repeating claims that Harkness racially abused him.

The pair had called a truce after meeting face to face at the Professional Footballers Association on Sunday.

But Collymore, who moved from Liverpool to Villa last summer, then appeared on a television show to discuss the dispute, which arose out of comments allegedly made by Harkness during Villa's Premier League match against Liverpool on Feb. 28.

"We're very disappointed Collymore has done this, after everything the players agreed to," said Richard Hallows, Harkness' lawyer.

1

## SCOREBOARD

## BASEBALL

## EXHIBITION BASEBALL

## TURKEY RESULTS

Tunis 18, Trabzon 5

Cleveland 16, Detroit 3

New York Yankees &amp; Kansas City 10, Indians, mutual agreement

Philadelphia 14, Toronto 3

St. Louis 5, Atlanta 3, mutual agreement

Pittsburgh 5, Milwaukee 4

Los Angeles 4, Florida 3

New York Mets 9, Atlanta 3

Montreal 2, Montreal 2

Anchorage 9, Seattle 10, 10 innings

Chicago 14, Oakland 3

San Francisco 4, Milwaukee 4

Colorado 4, Arizona 5

Boston 4, Cincinnati 3

Toronto 10, New York 13

Chicago Cubs 4, New York 6

Chicago 4, New York 11

Toronto 10, New York 12

Philadelphia 12, Atlanta 10

Milwaukee 10, Atlanta 9

## ART BUCHWALD

## The Anatomy of Love

WASHINGTON — This is the Anatomy of a Great Love Affair.

He: I love you very much. After you finish your champagne, will you come to my loft to watch Ted Koppel?

She: I love you very much, and I would feel rejected if you didn't ask.

He: Did the earth move?

She: Oh yes. **Buchwald** my darling. I thought I was in heaven.

He: When will I see you again?

She: In court, lover.

□

Defendant's Lawyer: My client denies he had an affair with Miss Klutz, and if he did it was consensual.

Plaintiff's Lawyer: My client, Miss Klutz, went up to his

**L.A. Confidential'**

Leads Pack in U.K.

*The Associated Press*

LONDON — "L.A. Confidential," Curtis Hanson's film noir, leads the field for the British Academy Awards with 12 nominations. The leading American Oscar hopeful, "Titantic," followed closely with 10, despite earning a slew of negative reviews in the British press.

"The Full Monty" sneaked in between the two American films with 11 nominations, including best picture, Peter Cattaneo for best director and Robert Carlyle for best actor. The British Academy of Film and Television Arts also handed the low-cost hit "Mrs. Brown" eight nominations — including best picture and best actress, for Judi Dench.

apartment to rearrange his flowers, and he grabbed her from behind. They wrestled to the floor, and although she kissed him only once, she felt she had been used.

Defendant's Lawyer: This is an outrage. The plaintiff only wants money. We offered her an apology and she scorned it.

Plaintiff's Lawyer: All my client wants is her good name back and \$900,000 in small bills.

The Star Editor: We are

willing to offer the plaintiff a \$1 million contract for the tape-recorded pillow talk conversations she had with the defendant.

The Book Publisher:

We're willing to put out an instant book provided the plaintiff gives us more details on her sex life with prominent figures in the government.

The TV Producer: We will give the plaintiff a full hour to be interviewed on one of the highest-rated magazine shows in America and also throw in an autographed photo of Barbara Walters.

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The Defendant's Lawyer: I did not leak the plaintiff's deposition to The Washington Post. The plaintiff's attorney released it so he could point the finger at us. Besides, why doesn't the press find out about the plaintiff's attorney's affair with a chorus girl in Las Vegas?

The Plaintiff's Attorney: The real reason for the scrutiny of course, is that McPherson is black. He is followed to the elevator, asked why he is there, sharply questioned again when he comes down from his room. This isn't the sort of attitude you expect for your \$1,000-plus a night.

Back in the car, McPherson is philosophical. He's been here before. "Crabcakes," his first book in 21 years, is a memoir about how he had to go to Japan to find refuge from "the burden carried by all black Americans, especially the males": "Those around us, depending on their fears or on their perversities, or even on their passing moods of the day, have the capacity to distort our most basic of human gestures into something in-

comprehensible in human terms.

"I've learned enough not to get riled," he says. "At least they didn't arrest me for bad driving."

When a writer of fiction calls it quits, he often leaves a clue in the work itself. The final story in "Elbow Room," which dates from 1977 but was until this year McPherson's latest book, is about a fellow who can no longer make sense of the interracial marriage of two friends. He loses, in fact, his belief in narrative:

"The old stories were still being told, but their tellers seemed to lack confidence in them. Words seemed to have become detached from emotion and no longer flowed on the rhythm of passion. Even the great myths floated apart from their rituals. Cynical salesmen hawked them as folklore. There was no more bite in humor. And language, mother language, was being whored by her best sons to suit the appetites of wealthy patrons."

This is the first explanation McPherson offers for why he stopped writing. "The language I used for those short stories is dead. I noticed this back in the '70s. The language of civie discourse is dead. When was the last time you heard a speech that inspired you? Now everyone talks in sound bites."

Even when he published his two books of stories, he didn't think of himself as a writer. "I did it for fun. When it stops being fun, when it becomes a business..." He trails off. He says he doesn't even notice whether "Hue and Cry," his 1969 collection, and "Elbow Room" are in print.

That's a second explanation for his silence, and now he offers a third. The roots of this one go back to 1975, when McPherson, then teaching at Morgan State University, was offered a position at the University of Washington in Seattle. He turned it down. "I thought I'd be too happy there," he told the novelist Charles Johnson, who accepted the post instead. "A writer needs to suffer."

McPherson went instead to the University of Virginia, where he got his wish. The stories in "Hue and Cry" were about the hunger for community and the blurring of the color line; the writer said at the time he was trying to keep the whiteness or blackness of his characters "far in the background, where these things should rightly be kept." But in the tight society of Charlottesville, McPherson would not or

looks a decade or two older.

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The film directors Roman Polanski and Gerard Oury have been elected to the French Academy of Fine Arts. Polanski, 64, has directed many of the greatest names in cinema in a career spanning 40 years. His roll-call includes "Repulsion" with Catherine Deneuve, "Chinatown" with Jack Nicholson and Faye Dunaway, "Death and the Maiden" with Sigourney Weaver and "Franz" with Harrison Ford. Oury, 77, has worked mainly with French actors like the comic duo Louis de Funes and Bourvil, and Yves Montand.

Internet surfers seeking information about Prime Minister Benjamin Netanyahu and his wife, Sarah, on an Israeli government Web site were shocked to find

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Courtney Love will get only a fraction of the legal fees she had demanded from a Florida county where she was charged with battery. The lead singer of the band Hole and the widow of Nirvana's Kurt Cobain was accused of slugging two fans during a 1995 show in Orlando. The charges were thrown out and an appeals court told Orange County to pay some of her expenses. She submitted a bill for \$27,543. She accepted \$1,900.

John Kennedy Jr. is showing his presidential side. The editor in chief of George magazine will take over as president, said David Pecker, chief executive officer of Hachette Filipacchi Magazines. The monthly, which Kennedy founded in 1995, says it has a circulation of about 424,000.

The singer Paula Abdul has filed for divorce from her husband of 17 months. She cited irreconcilable differences. But a spokesman said they made up and "she forgot to tell the lawyer to stop." The couple — who announced a trial separation Jan. 20 — said in a

LAUGH RIOT? — Howard Stern, bad boy of talk-radio, and the actress Julia Roberts at the Blockbuster Entertainment Awards in Hollywood. She won for comedy and suspense roles, he won as "favorite newcomer."

## A Writer's Success Story: The Good and the Bad

By David Streitfeld  
*Washington Post Service*

ALTIMORE, Maryland —

James Alan McPherson has been talking about how being the first — and still only — black man to win a Pulitzer Prize for fiction was followed by jealousy and sniping and racial attacks from his colleagues, a divorce etched in acid, loss of faith in fiction, 20 years of silence and despair, with teaching his only refuge. The portrait he presents, without quite intending it, is of a lost soul, at last regaining his bearings.

When now he's really lost. There's an essay relevant to this conversation back in his hotel room, but he can't find the hotel. It's around here, somewhere in the Inner Harbor, he checked in only hours ago, but the street isn't on the map and nothing looks familiar.

The Star Editor: We are

willing to offer the plaintiff a \$1 million contract for the tape-recorded pillow talk conversations she had with the defendant.

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After 21 years, James Alan McPherson has published another book.

battle over his daughter, Rachel. Pancake, his most promising student, killed himself. A \$192,000 MacArthur "genius" grant was another stick his foes could use against him; he asked, in vain, for the award to be kept secret. By 1981, when McPherson went to teach in the Iowa Writers' Workshop, he was barely functioning.

"The emotions and the ugliness of it steamrollered him," says the novelist Bob Shacochis. "When he arrived in Iowa, he could barely stand upright." On one of his first nights, McPherson went to Shacochis's house for dinner. After a few minutes, he excused himself to go lie down. He stayed in bed all through dinner, past dessert and coffee.

Shacochis finally went upstairs to offer all the forms of encouragement he could. "You're bating a thousand," he said. "You've won a Pulitzer Prize, gotten a Guggenheim, a MacArthur..."

"All that's just more reason for people to hate me," McPherson replied.

McPherson threw himself into his teaching. One former student remembers his living room table "as being buried literally two feet deep" in students' stories. He was so conscientious, he was reading himself blind.

The fact that Iowa City was such a white place helped his recovery. McPherson grew up in extreme poverty in Savannah, Georgia, the son of an alcoholic who eventually froze to death. He never met a white person socially until he was 21 and attending Harvard Law School. At the University of Iowa, he was surrounded by nothing else. "In Charlottesville he felt this great weight of racism on his shoulders, and in his heart," says Shacochis. "He was relieved that in Iowa a black man was an exotic creature."

That era is over; last year Rachel graduated from high school. "She's on her own now. I won't get married again or have more children. I can write. I don't want any more awards."

Things began to go wrong. His marriage exploded, leading to a protracted and expensive custody



LAUGH RIOT? — Howard Stern, bad boy of talk-radio, and the actress Julia Roberts at the Blockbuster Entertainment Awards in Hollywood. She won for comedy and suspense roles, he won as "favorite newcomer."

## PEOPLE

MENTOS of the late British ballerina Margot Fonteyn sold for £17,990 (\$192,325) at a Christie's auction in London on Wednesday. Thirty-one lots of jewelry and a pair of ballet shoes went under the hammer, fetching almost three times their estimated value. The highest price was paid for an Art Deco diamond and emerald bracelet that sold for £17,250. Christie's had estimated the piece at £5,000. A pair of ballet shoes inscribed "for The Sleeping Beauty" on the right sole went for £10,925, more than

It's a tough life. To win the right to play one of his comedy idols, Jim Carrey had to do something rarely asked of stars with their box-office clout: audition. With such actors as Kevin Spacey, John Cusack and Nicolas Cage in the running to play the late comedian Andy Kaufman in "Man on the Moon," the director Miles Forman asked for audition tapes. Those who know about the cattle call said in the March 13 issue of Entertainment Weekly that Carrey sealed the deal with a stand-up routine that featured some of Kaufman's best-known characters, including Foreign Man, the pro wrestler and a Las Vegas lounge lizard named Tony Clifton.

The wife of Hugh Hefner, founder of Playboy magazine, filed for divorce and then changed her mind, saying it was all a misunderstanding. Kimberly Conrad Hefner, 34, who Hefner has called his "Playmate for a lifetime," filed for divorce citing irreconcilable differences. But a spokesman said they made up and "she forgot to tell the lawyer to stop." The couple — who announced a trial separation Jan. 20 — said in a

statement: "We are still exploring a reconciliation and neither of us wants a divorce."

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